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9 April 1986

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BURMA

CONCERN GROWS OVER DEBT BURDEN

Bangkok THE NATION in English 12 Mar 86 p 19

[Article by Suthichai Yoon]

[Text] BURMESE FINANCE Minister U Tun Tin submitted a Budget Bill for the fiscal year beginning in April to Parliament on Monday, when he said the fourth four-year plan, ending March 31, this year, achieved an average growth rate of 5.5% despite a drop in foreign exchange earnings due to declining prices for Burmese exports.

U Tun Tin told Parliament in Rangoon that the government planned to import \$719.4 million worth of goods and export \$535.2 million, mainly agriculture products.

He said more than half of foreign exchange requirements for imports will have to be met by foreign aid.

Official statistics show that consumer goods constitute less than 10% of total import value each year while the rest is for capital and intermediate goods for projects and government industries.

At the same time, the finance minister also tabled a bill for the fifth four-year plan covering fiscal years 1986-87 to 1989-90, with an aim for an annual gross domestic products growth rate of 4.5%.

Burma's socialism has had its own problems. World Bank officials have noted that the benefits of the policy reforms of the mid-1970s were beginning to dissipate and that future progress would depend largely on new policies to strengthen the balance of payments and the domestic finances.

Some problems noted in the latest World Bank study on Burma's economy include a public sector budget deficit of 12% of GDP; increases in domestic credit at a rate of about 20% a year; a rising rate of inflation; an external current account deficit which rose to 9% of GDP in 1982/83 and which has since been contained to 5% — only by a sharp

reduction in foreign exchange allocations for imports; deficits in the overall balance of payments which have led to a reduction of international reserves to the equivalent of one month of the compressed level of 1984 imports; a debt service ratio of about 45% and a free market exchange rate which is considerably higher than the official rate.

Burmese officials do recognize the problem. Some of them admitted that the lack of buoyancy of the domestic tax system and the rise in current expenditure (debt service payments being one of the main factors) had contributed to the deterioration of the domestic finances since the late 1970s.

The State Economic Enterprises (SEEs) have also seen declining profitability and that means much bigger domestic bank finance.

"The pricing policies have direct impact on the drop in the level of profitability," said a local informed source who asked not to be

identified.

To rectify the situation, Burma's authorities have tried to reduce capital spending and curb imports. "That means in the short term anyway sacrificing growth rates. And if we reduce imports of intermediate goods, industrial and manufacturing output will go down," the officials said.

The World Bank study has suggested that in 1985/86, the revenues of the Burmese government are budgetted equivalent to 12% of GDP compared to 16% in the late 1970s.

"More flexible pricing policies for the State Economic Enterprises will allow them to finance their undertakings with less reliance on bank credit, the expansion of which is now generating increases in money supply which are not compatible with price stability," the study added.

Burma's export value in terms of commodities has shown little diversification in the past seven years. Apart from adopting a

diversification policy for agriculture, the Burmese government has also been advised to improve on its external debt management in view of the high debt service ratio.

"To contain the country's future debt burden, the authorities have adopted a policy of avoiding commercial borrowings and intend to contract new debt on as concessional terms as possible. Over the longer run, the government's most important objective should be to sustain high real GDP growth while maintaining domestic price stability. To that end, new and wide-ranging initiatives are urgently needed..." the World Bank said.

On medium-term prospects and aid requirements, the study had this to say about Burma:

The limits for growth over the medium term will be determined by, among many factors, Burma's capacity to import. Presently, the country's export earnings pay for less than 60% of the compressed level of its total imports.

Given Burma's relatively limited export prospects, growth in real imports will need to be significantly lower than the rapid growth achieved through the early 1980s. A continuation of the slower import growth of the last two years would, in turn, necessitate a downward adjustment in investment and growth.

Bank staff estimates indicate that, on the basis of projected export growth, likely movements in the terms of trade, and anticipated real increases in external aid flows, Burma should lower its annual GDP growth target to around 4.5%. More ambitious growth targets could lead to an increasingly large resource gap and unsustainable foreign financing requirements.

Assuming this relatively modest growth scenario, the current account deficit in the balance of payments is projected to remain at around 4.5%-5% over the medium term. A deficit of this size could be satisfactorily financed without excessive commercial borrowings if the projected levels of concessional assistance are forthcoming and if the necessary export effort is undertaken.

Commitments of grants are expected to average around \$100 million a year through 1988/89. Taking into account the buildup in pipeline disbursements from past commitments and assuming historical disbursement patterns, annual foreign loan commitments required to finance the projected scenario must average around \$400 million, rising from \$290 million in 1984/85 to \$500 million in 1989/90.

Most of this is assumed to come from official concessional loans, reflecting government policies to refrain from commercial borrowings. This is not an unreasonable assumption to make. Burma has in some recent years received commitments of concessional loans of \$500 to \$550 million a year, though annual commitment

levels have tended to fluctuate significantly from one year to the next.

To the extent that concessional aid cannot fully meet Burma's foreign capital requirements, the government faces a dilemma. From the standpoint of Burma's already high debt service ratio, it is not desirable for the country to contract additional loans on any terms other than the most concessional. However, if sufficient concessional aid is not forthcoming, pressure may grow to resume commercial borrowings to support higher levels of public investment and economic growth. Burma's ability to supplement concessional assistance with borrowings on commercial terms depends upon both the priority given to export expansion and the quality of the public sector investment programme.

To achieve sustained growth, Burma will clearly continue to require large amounts of external assistance. However, in the

current uncertain aid environment, it is crucial that the government demonstrate a strong commitment to implement reforms, especially in the areas of domestic resource mobilization and pricing.

For their part, donors should be encouraged to support the government's adjustment efforts by diverting larger proportions of their total aid to programme or commodity assistance. Project assistance should be directed even more than in the past to export-oriented activities and to complementary economic infrastructure. Finally, it would be critical for both the government and donors to keep in mind that additional external borrowings for every new project must be justified from the standpoint of the country's overall future debt burden and the proposed project's ability to add, directly and indirectly, significantly to the country's net export earning capacity.

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CSO: 4200/828

INDONESIA

EDITORIAL DISCUSSES CURRENT 'DEVALUATION FEVER'

Jakarta BUSINESS NEWS in English 7 Mar 86 p 2

[Text]

With the oil price slump abroad to a level as low as \$ 12 per barrel, a lot of fund owners --- companies as well as individuals --- have started worrying about the possibility of the government being forced to introduce another rupiah devaluation in order to overcome the situation. A large number of bank customers are withdrawing their deposits to buy the dollar, and the foreign exchange bourse accordingly registers an unusual increase in its turnover. While in January the turnover at the foreign exchange bourse with 26 calls only reached US\$ 538 million, in February it jumped to US\$ 867 million with only 24 calls.

This development shows that the Indonesian public are now already more sophisticated and have been following overseas economic and political changes, and link such phenomena with what is likely to happen in this country. It is speculated that with the oil price slump, government receipts from the oil/gas sector for the state budget will also drop, and one of the simplest ways of increasing the revenues in the rupiah is devaluation.

Another reason frequently heard is that when the oil price overseas slumped by 14.7% from US\$ 34 to US\$ 29 in March 1983, the rupiah was directly devaluated. But the fact has meanwhile been overlooked that in 1983 the value of the US\$ was very strong and tended to keep on strengthening, whereas at present the US\$ is very weak and has the tendency to weaken even further. From its peak in March 1985 up to now, the US\$ has dropped in value by 35% against the DM. This decline is followed by the rupiah, because the dollar exchange rate against the rupiah is about constant and even still slightly higher. Hence the rupiah value has also dropped against the DM,

the yen and the other currencies, even to a bigger extent than the dollar depreciation.

Advocates of the rupiah devaluation only take heed of the state budget condition alone and pay less attention to our economic situation in general, which will experience an unusual shock as a result of such devaluation. One of the areas that must be taken into account in this context is the export sector, and the very relevant question in this conjunction is : will devaluation be capable of boosting exports ?

The export situation is today indeed very gloomy, but it seems that such a condition cannot be surmounted by devaluation. The vulnerability of our exports is particularly caused by the presence of various legal and illegal levies as well as inefficiency, which render our export products uncompetitive. Similarly, our exports find their marketing difficult because of the very sluggish world economy. Devaluation will not be able to boost exports under such circumstances, as long as the "high-cost economy" remains prevalent in this country. Exports cannot be increased as long as goods transport is unreliable and expensive. Even if devaluation is introduced, at most the effect will be soaring prices, and export stagnation will again take place at a higher price level.

Another important factor is inflation, which in 1983 was far higher than at present. Also, foreign exchange reserves are now very big, unlike the situation on the eve of the devaluation of 1983. Still, at that time the rupiah exchange rate was too high and the dollar too cheap. Since the devaluation of 1983 the dollar exchange rate has now increased from Rp 970 to almost Rp 1,130, while the exchange rates of the DM, the yen etc. have jumped far higher than their level in 1983. In other words, the rupiah is no longer overvalued as it was in 1983.

In this connection, we in fact cannot draw a parallel between 1983 and this year. However, if the fear of devaluation prevails among the public at large, it will pose a major obstruction to the economic process. Businessmen who should take care of their business operations may be prompted to seek the right tactic to "save their capital" by buying up foreign currencies.

The government apparently remains confident that the foreign exchange reserves worth more than US\$ 10 billion are strong enough to

serve speculators. Even if the government is really capable of maintaining its stand, the diversion of attention of most businessmen from their normal activities just takes place at a very unpleasant moment. The problem is now, how to restore calmness and remove anxiety over the devaluation. Because denials made by official circles are ignored and even tend to be interpreted as a tactic of evasion.

/13104

CSO: 4200/826

INDONESIA

EXPORT SUPPORTING BOARD SET UP

Jakarta BUSINESS NEWS in English 10 Mar 86 pp 3, 4

[Text]

Minister of Trade Rachmat Saleh SE by virtue of Decree No.89/Kp/III/86 dated March 7, 1986 set up an Export Supporting Board for the implementation of the program of promoting the potentials of exporters and export supporting institutions.

With a view to boosting non-oil exports, it was deemed necessary to provide technical aid, particularly in overseas marketing and production management, to exporters and export supporting institutions, the consideration of the decree said.

The board, which is responsible to the Minister of Trade, has members representing the business world and government bodies. For its smooth operations, the board is assisted by a Secretariat. The tasks of the board include assisting the boosting of the potentials of exporters and export supporting institutes through technical assistance, consultations, and other help; managing funds provided by the Indonesian government or from other lawful sources; assisting exporters and export supporting institutes in obtaining consultants, especially those specializing in overseas marketing and production management; providing suggestions and recommendations to the Minister of Trade on nonoil export problems.

COMMODITY & COMPANY : The minister in his APPROACH statement here Saturday said, in

principle, all export companies may apply for assistance made available by the Export Supporting Board, with priority for middle-and small-scale companies, although the larger ones are not excluded. The board is also active in identifying those in need of assistance, because in practice, the board works together with the National Agency for Export Development (BPEN).

The Board will also operate in line with the commodity approach and company approach, even with financial support.

Priority will be given to products with the potential of export expansion, such as rattan and furniture. The technical assistance will take the form of market research, publication, exhibitions, design, mechanical efficiency and others.

The funds made available by the Export Supporting Board to a given export company does not involve a commitment of repayment, but the company is required to show its share which has not been determined.

Part of the funds to be used by the Board for helping exporters will come from the Indonesian government and partly from a World Bank loan currently still being discussed in Washington, the minister said.

Rachmat Saleh pointed out that the Export Supporting Board was established as a result of a study jointly undertaken by the Indonesian Government & the World Bank.

The World Bank is seeking ways to support the promotion of Indonesia's non oil/gas commodities, the minister said, adding that the establishment of the new board was required to handle the Export Support Fund

The support given by the Export Supporting Board is excluded in the qualification of export subsidies, according to the minister. There are countries which have applied such a system, he added. "We are satisfied, for there will be no accusation of the extension of export subsidies," he said.

Concerning the majority in the membership of the private side in the Export Supporting Board, with the possibility of four for the private side and three for the government institutions, he explained it was aimed to enliven the public service.

He mentioned the need to seek skilled and experienced persons who were active in the export field and export management in view of the fact that export is a practical business. It is necessary to look for persons whose conflict of interest is at least not vested in public interest, he said.

In reply to a question whether the Export Supporting Board will be able to be active, he said the conspets would be worked out soon after the negotiations with the World Bank in Washington end.

PLAN : Previously the trade minister stated the need to set up an export supporting board to encourage the promotion of Indonesia's exports. Such a body is required to handle funds provided by the government or derived from World Bank's assistance, he said further at a monthly meeting organized by Perbanas under the sponsorship of the World Bank here recently.

The funds handled by the board, according to the minister, should be spent to help companies finance the use of experts for the improvement of their technical knowhow and management, the minister revealed, adding that the board should consist of three members representing the government and three other members from the business world.

A private businessman should be appointed chairman of the board. In carrying out its daily activities, the board should be assisted by staff members consisting of Indonesian and foreign experts appointed in accordance with their capabilities, he said.

Concerning the plan to discontinue the issuance of export certificates, the minister said the government would introduce the draw-back system and examine the

possibility of giving other forms of assistance to exporters that could not be regarded as subsidies.

He also mentioned the importance of insurance for the issuance of export credits. The insurance will also safeguard creditors from losses because of non-payment from buyers abroad.

The maintenance of the realistic rate of exchange is also required to secure the creation of favourable climate for export, according to Rachmat Saleh. In this context, the minister said he considered the exchange rate of the rupiah realistic at the present time.

He pointed out that only the US dollar and the Singapore dollar showed appreciation against the rupiah in 1984, while British, Dutch French, Japanese and West German currencies showed depreciation against the rupiah in the same year.

But in 1985 U.S., British, Dutch, French, West German and Singapore currencies showed big appreciation in value against the Indonesian currency. At the end of 1985, the exchange rate of Dutch, French and West German currencies against the rupiah rose by 33%, while the value of British and Japanese currencies against the Indonesian currency increased by around 30% compared with the position at the end of 1984. The government will continue the effort to make the exchange rate of the rupiah against other currencies remain realistic.

Referring to export development, Rachmat Saleh pointed out that Indonesia's exports fell drastically in 1982, when the world was hit by the heavy economic recession. In 1983, when the world economy began recovering, Indonesia's non-oil/gas exports increased again in stages. In 1984, exports of non-oil/gas commodities from Indonesia grew further in line with the improvement of the world economy.

But when economic growth in the industrialized countries slightly declined in 1985 following the weakening of US economic growth which was not counterbalanced by the enhancement of economic growth

in other countries; Indonesia's non-oil/gas exports showed no further improvement

According to provisional data obtained from BPS (Central Bureau of Statistics), Indonesia's exports of commodities other than oil and natural gas were worth US\$ 5,868 million in 1985, a slight decline compared with US\$ 5,869 million in 1984.

Touching on the strengthening of the US dollar recently, Rachmat Saleh said it had brought about the swelling of deficits in US current account and such developments has increased unemployment in the US and fostered the US to step up protection on her domestic markets. The weakening of the US currency at the present time is expected to slacken the protectionist policy of the US Government.

A lot of countries currently expect multilateral trade negotiations to be held in the near future to bring about improvement in the world economic situation, he said, adding that the General Agreement on Tariff and Trade (GATT) was expected to be able to maintain free and fair international trade.

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CSO: 4200/826

INDONESIA

JAPANESE GRANT FOR AGRICULTURAL PROJECTS REPORTED

Jakarta ANTARA NEWS BULLETIN in English 1 Mar 86 p A9

[Text]

Jakarta, Feb.28 (ANTARA).-- The Japanese government has provided Rp.23.82 billion of grant for two agricultural projects in Indonesia. The grant aid totals 1.75 billion yen (Rp.10.94 billion) for the agricultural engineering development project and 2.06 billion yen (Rp.12.88 billion) for the supervision on pests and plant diseases.

The diplomatic note for the grant was signed by and exchanged between Director General of Foreign Economic Relations of the Foreign Ministry Amono Suryo and Japanese Ambassador to Indonesia Toshiaki Muto here Friday.

The agricultural engineering development project will be constructed in Serpong, West Java, to develop agricultural machines needed in Indonesia, such as small machines with simple mechanization.

The supervision on pests and plant diseases will be in the form of a network system for early pest and rice diseases estimation in nine provinces aimed at improving the technology and protection system available for food plantation.

For the first phase, the grant will be allocated for building laboratories in West Java, East Java, and Bali. In 1984, a 445 million yen of grant (some Rp.2.448 billion) was also presented for equipment of the projects expected to be completed by the end of March 1987. The two projects are expected to increase the agricultural productivity in Indonesia.

Director for Guidance Program, Directorate General for Food Plantation of the Agricultural Ministry, Sulbijati Subroto who was present in the signing ceremony said, for the first phase Indonesia must provided the facilities such as roads and bridges, while the construction of the projects will be started next June. According to Sulbijati, Indonesia will build ten projects of its kind in other agricultural areas.

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CSO: 4200/826

INDONESIA

DOUBLING OF PLYWOOD EXPORT TO JAPAN HELD POSSIBLE

Jakarta ANTARA NEWS BULLETIN 3 Mar 86 p A1

[Text]

Osaka, March 2 (ANTARA).-- Indonesian plywood export to Japan could be doubled step by step if Indonesian plywood producers could maintain quality and continuity of supply, a leading Japanese businessman said here.

Kiyoshi Mazaki, president of Kanmatsu Trading Co.Ltd., Osaka, told ANTARA that in 1985 Indonesia exported 311,000 cubic meter of plywood to Japan. This could be doubled, he said, if Indonesian producers could maintain the product's quality and supply continuity.

He said his company imported 60 percent of the plywood from Indonesia.

The prospect is there for Indonesia to step up its plywood export to Japan because the price of Indonesia plywood is lower by about 5 percent than those imported to Japan from other countries, he said.

Mazaki explained that Japanese consumers prefer to buy plywood in the 3 x 6 meter measurement.

Indonesia meanwhile exported its plywood in the 4 x 8 meter measurement. He advised Indonesian producers to comply to the preference of the Japanese consumers if they want to sell more to Japan.

Kanmatsu Trading Co., Ltd., early this year signed a sales contract with Indonesian plywood producers for 60,000 cubic meter of plywood.

Mazaki said that the quality of Indonesian plywood had improved in recent years so that the product could now compete with similar product from other countries exporting to Japan.

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CSO: 4200/826

INDONESIA

EDITORIAL DISCUSSES PARALLEL BETWEEN TIN, OIL SITUATIONS

Jakarta BUSINESS NEWS in English 10 Mar 86 p 2

[Text]

The deadline on Thursday for the establishment of a new organisation (Tinco) to handle tin price stabilisation has elapsed without any agreement between member countries of the International Tin Council. Hence the tin price will be entirely left to market developments, and it is expected to undergo considerable decline.

Indonesia is one of the countries refusing to approve the setting up of the new tin regulating body, which will have to take over the bufferstock under the control of the council. Or, to put it in a more refined way, Indonesia has put forward several conditions for granting approval to the new body.

Such requirements are very appropriate, because in the form suggested by Britain etc. the new body has no prospect of tin price stabilisation. This body seems to have been planned to rescue the bufferstock and the idle funds within it, while the chance of tin price control is virtually minimum. Capital worth about 270 pound sterling is required for the plan, in which Indonesia is expected to share around 20 million pounds sterling. But if the organisation does not include such nations as Brazil and Bolivia, we can be sure that this body will fail to control the tin price in the future. Under the very tight money condition at present, it is understandable that Indonesia is not prepared to spend 20 million pound sterling on financing the body.

Britain is in fact highly concerned with the revival of the tin trade that has come to a standstill since last October 24. Because the London Metal

Exchange has also been paralysed since the exhaustion of funds for further operation by the tin bufferstock management. A lot of brokers handling the tin trade are also engaged in the transaction of other metals, and with the financial difficulty resulting from the tin trade, customers become reluctant to deal with them in the metal transaction. Customers are unwilling to get in touch with the brokers they fear to be facing bankruptcy as a consequence of the tin trade stagnation. It is due to the fact that they have delivered large quantities of tin to the bufferstock without payments.

The banking system in Britain naturally is also very interested in reactivating the London Metal Exchange and setting up a new body to handle the tin trade. Because it is also much involved in the financing of tin bufferstock operation, which finally bogged down five months ago.

Since the bufferstock stagnation, its member countries and banks in Britain have tried repeatedly to reach agreement, but the attempts have all failed so far. The member nations are of the view that, as they have paid their contributions to the International Tin Council, they cannot be held responsible for the financial failure of the tin bufferstock.

It is very interesting to note that the failure of the International Tin Council is basically parallel to that also suffered by OPEC, despite the presence of one fundamental difference between both organisations. While OPEC is only composed of producer countries, the International Tin Council also includes consumer nations, especially the advanced nations in Europe. But still the process of failure is virtually parallel : both in the case of oil and in tin, the organisations have succeeded in maintaining a high price level particularly through production restriction. But it is just this high price level that has enabled producers to increase their production, to such an extent that a glut results and the price drops sharply. They are finally running out of funds to maintain the price within desired limits.

In the next phase the tin price is apparently to be left fully to the forces of supply and demand

on the market. With the bufferstock having to be liquidated, with the presence of new and old producers trying to seize the market from each other, the price will definitely be going down even further. For Indonesia it means another blow after being hit by the oil price slump, while in fact, tin constitutes the fourth non-oil foreign exchange earner.

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CSO: 4200/826

INDONESIA

PORT DEVELOPMENT PROGRAM DESCRIBED

Jakarta BUSINESS NEWS in English 10 Mar 86 p 9

[Text]

The construction or development of ports in Indonesia is aimed at the formation of an integrated sea transportation system.

With a World Bank aid, Indonesia from 1979 to 1982 organized an integrated sea transportation study carried out by the Netherlands Maritime Institute. The result of the study had been favourably considered by the Department of Communications in October 1982.

The study covered the concept of an integration between trunk and feeder lines within the ILS system, investment plans, a scrapping program of the national merchant fleet, the turning of ports into public corporations, and priorities in the development of 43 ports within the ILS system covering 4 main ports, 14 accumulator ports and 25 distribution ports.

In this context, the government has in December 1982 drawn up a maritime sector development program in preparation of the integrated project.

The project covers 14 preparations including a master plan, review feasibility study and engineering design.

An IBRD loan will be sought for the engineering design of 43 ports. The engineering design of the ports of Lhok Seu mawe, Sibolga, Teluk Bayur, and Panjang will be made by Lavalin International of Canada, that for the ports of Palembang, Pontianak and Cilacap will be done by Has koning of the Netherlands; for the ports of Tg. Priok by Peter Fraenkel & Partners

of the UK; and for the ports of Ujung Pandang, Bitung, Kendari and Lembar by PRC Engineering of the US.

Netherlands aid will be for the ports of Ambon, Ternate, Sorong, Tanau, Jayapura and Merauke; from the ADB for Balikpapan, Banjarmasin, Surabaya, Neneng, Tarakan, Samarinda, Sampit, Toli-Toli, and Pantoloan; while Japanese aid will go to the ports of Semarang and Dumai. Those for the other 11 ports are still being considered.

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CSO: 4200/826

INDONESIA

BRIEFS

CONVERSION OF FOREST LAND--The development of commodity estates has been focused in the province of Riau in the past few years. New capital investments in the plantation sub-sector in that province are estimated to cover 36 units of commodity estates under PIR (nucleus estate for smallholders) and non-PIR schemes. New capital investments in the plantation sub-sector in Riau will bring about the conversion of about 1,087,930 ha of forest land in the province into commodity estates. According to data obtained from the Riau administration, 25 companies are involved in the opening of around 870,060 ha of commodity estates under the PIR scheme. The 25 companies comprise 20 private enterprises which will handle 472,000 ha of plantations and five state enterprises which will handle 398,060 ha of plantations. Riau's land territory covers around 9.4 million ha, of which almost 80% or 7.5 million ha consists of forest land. The Riau administration has provided part of its forest land for commodity estates, transmigration centres, ricefields, fish farming projects and livestock breeding projects. To accomodate new transmigrants from other parts of the country, the Riau administration is planning to open 44 more resettlement centres covering 420,000 ha. [Text] [Jakarta BUSINESS NEWS in English 5 Mar 86 p 10] /13104

ROK ASSISTANCE FOR PROJECTS--Indonesian Minister of Public Works Suyono Sosrodarsono and South Korean Ambassador to Indonesia Sang Sup Choi signed here recently the Memorandum of Understanding for the Integrated Urban Infrastructure Development Project for Bandar Lampung. The project is to be handled with a grant of US\$ 500,000 from the South Korean Government. The signing of the document is based on the agreement made by the Indonesian Public Works Ministry and the Korean Ministry of Construction. The cooperation agreement between the two ministries is aimed at strengthening the existing friendly relationship between Indonesia and South Korea, especially in the engineering and construction fields. Previously, the two ministries signed cooperation agreements for three projects, namely the feasibility study on Pemali River Flood Control, the construction of the Bukit Tinggi by-pass and the construction of the Padang by-pass. Grants from the Korean Government for the four projects are worth approximately US\$ 1.89 million. [Text] [Jakarta BUSINESS NEWS in English 5 Mar 86 p 9] /13104

ECONOMIC RELATIONS WITH GDR--The Commercial Counsellor of the East German Embassy here, J. Kupfer, is of the view that economic cooperation between East Germany and Indonesia has been growing well. The progress made in the

bilateral economic relations between the two countries is thanks to the participation of East German businessmen in the Jakarta Fair as well as special exhibitions in Surabaya and Jakarta, he said further here Thursday. East Germany's participation in the Jakarta Fair and Indonesia's participation in the Leipzig Fair have so far been undertaken every two years. But the two countries have agreed to take part in those fairs every year as of this year. That East European state is interested in participating in the handling of certain development projects in Indonesia, beside expanding industrial cooperation with Indonesia to the manufacture of machinetools, the transmission and distribution of energy, and the development of agricultural and transportation fields, he said. Around 9,000 companies from more than 100 countries are expected to take part in the 1986 Leipzig Spring Fair to take place in Leipzig from March 16 to 22, 1986. [Text] [Jakarta BUSINESS NEWS in English 7 Mar 86 p 9] /13104

CSO: 4200826

LAOS

ANTI-VANG PAO RESISTANCE EFFORTS IN HOUA PHAN DESCRIBED

Vientiane PASASON in Lao 27 Jan 86 p 3

[Article by So Meuangsam: "Concerning Phathi"]

[Excerpt] To open the attack on the liberated territory of the patriotic forces, the American imperialists used the special force of Vang Pao to seize Pha Thi and other military objectives, which became bases for them, such as Houai Leuk, Houai Moun, and Houai Ma. These were used as positions to attack Rongnon and prepare to seize the town of Sam Neua. On the mountain at Pha Thi the American imperialists set up a radar site to control firing on various targets in Laos and North Vietnam.

Because they saw that the Phathi area was an important military position, even though our country was liberated completely in 1975, the imperialists and the Chinese great-power hegemonists did not give up their evil schemes in this area. They tried to use a group of bandits and teams, to cause continuous confusion. In one area they tried to deceive a small tribal group, which did not clearly understand the policies of the party and the state or the character of the new system, into foolishly returning with them to oppose the people's administration in the area.

After receiving the assignment of defending and patrolling the Phathi area at the end of 1975, the Patchai Hero Company has vigorously carried out its duties. To reach the area they had to travel a long distance and cross mountains and river valleys. A number of people were still uncertain and believed the lies of the enemy. The military headquarters of Houa Phan Province gave this company the primary assignment of creating grassroots support among the people. To do this the party committee of the company worked hard on some problems concerning the primary duties of the company and divided the responsibilities carefully as follows: building support in Ban Pano Village, protecting Phathi, and defending the area of Houai Ma and Houai Moun while stationing one group at a fortified position at Phathi. In addition, a group was organized to increase production which had the name "the company supporting the front line." In addition to this, they worked hard as, for example, the group which worked to build grassroots support at Ban Pano Village. Initially this village was fairly troublesome because the people were still deceived by the enemy. A number of the men still were hiding in the forest and carrying rifles in opposition to the revolutionary forces. But because the men of the company understood clearly the policies of the party,

they recognized the tricks of the enemy with which they hoped to alienate various tribes, especially the Hmong. For 3 months the soldiers of the Patchai Company got close to the people and taught them about the policies of the party and the state toward people in general and about mobilizing to search for and suppress the enemy so as to defend the village in the future. This village became very good. Those who had gone wrong and left for the mountains and forests came back to their families and reported to the administration of the area. There were many families who gave up dry-field rice for wet-field rice cultivation and because they were working cooperatively they could organize a blacksmith unit for the village to repair production tools necessary for the people. This made the living standard in the village pleasant and normal and made production increase steadily.

For 10 years they have performed their duties of defending and building the socialist nation of our people. In addition to performing their primary duties such as defending the peace and mobilizing and building support, the Patchai Company was a unit which led in increasing production. For example, in the past 5 years they have been able to support themselves in food at a fixed cost without getting more from higher echelons. This unit has its own treasury and raises animals, and of special note, it uses horses instead of vehicles to transport food through the forest to their comrades operating in distant locations. These are some of the accomplishments of the Patchai Company; there are so many that they could not all be described at one time.

Even though they are in a confused and difficult situation and have received a very difficult assignment, the cadres and combatants of the Patchai Company are still keeping their great spirit.

8149/12913

CSO: 4206/69

LAOS

OUDOMSAI DOMESTIC, FOREIGN TRADE POLICY REVIEWED

Vientiane PASASON in Lao 27 Jan 86 p 2

[Article: "Oudomsai Province Trade"]

[Excerpt] In the past 10 years the trade of Oudomsai Province has expanded and has achieved many outstanding results. This is the result of gathering goods and building up sources for goods in localities involved in encouraging agricultural production. They encouraged gathering items from the forests and fields. They administered the markets, expanded crop purchases, kept prices reasonable, and conducted trade back and forth with the central authority and directly across the border on their own. For this reason they were able to lessen dependence on central authority and become less of a customer of centrally organized trade while relying on themselves more and more. The value of all types of goods increased 20 times when compared with 1982, especially those types of goods which are used in production and which improve the living standard showed increases.

The trade network of the state and the collective expanded greatly. In the first years after liberation there were just nine state stores, and these were just in the provincial capital and towns. Now there are 13 state stores throughout the province. There are 3 state restaurants as well as 162 cooperative stores of agricultural cooperatives and purchasing units.

In the area of exports there have been new advances because each echelon has taken care to learn the preparation points for exports. The province made regulations and gradually took control of the goods which belonged to the state as well as strategic items in order to bring in exports in accordance with the directives of central authority, and the exports were to be matched by imports, thus putting the relationship with foreign countries in better shape. This activity achieved good results. The volume of trade and the types of goods exported increased each year. When the external trading company was set up, the state gained control over such primary goods as timber, cardamom, benzoin, sesame.... The doorway for traveling in and out has been opened wide; for example, there is trade with central authority, between provinces, and with allied provinces in the Socialist Republic of Vietnam, and with a number of foreign countries.

Another new factor in Oudomsai Province is the struggle to put into practice the new procedure dividing the administration between the province and the

districts and putting the districts in charge of their own administration. Even though this is still new and incomplete, we can see that it is having a good effect; it is encouraging the district administration to increase its powers and concentrate on finding and building sources of goods to a greater extent than in the past. The price levels are not generally stable yet, but they are attempting to control them, especially such necessary strategic goods as rice, animals, and items from forests and fields.

Generally speaking, commercial activity in Oudomsai Province is gradually making progress in all areas. It is gradually getting away from subsidized trade and is turning to responsive economic activity and state enterprises.

8149/12913

CSO: 4206/69

LAOS

ENTERPRISE HEAD ON IMPLEMENTATION OF ECONOMIC REFORMS

Vientiane PASASON in Lao 25 Jan 86 p 2

[Article by Bounma Rouangmani, deputy director of the Lao Water Company: "We Are Determined To Develop into a True State Enterprise"]

[Excerpt] Temporary regulation No 67/PSL of 19 December 1985 concerning enterprises, which the Council of Ministers announced, is a law administering state possessions, administering the economy, and implementing the duties of the dictatorship of the proletariat. It was issued by the party. As for the water company the temporary regulations announced by the Council of Ministers is the policy and the important principle bringing about improvements in administering the economy and eliminating the old, authoritarian methods of administering the economy which involved subsidies.

Our enterprise has in the past been administered as an enterprise responsive to the economy, but the administration of our enterprise, when compared with the temporary regulation of the Council of Ministers, is still not performing well or correctly. It is still organized along the lines of the old type of administration, which involves subsidies, is lax and indebted, and uses too much labor and material; its work is not balanced, and materials and equipment are not used to best advantage. The three benefits for production are still not closely adhered to or regularly practiced; the ideology of behavior--individual mastery, collective mastery, and individual initiative--is still not up to par. Furthermore, production is not expanding, and production and distribution, abilities and needs, and price and quality are not in balance.

To assure that the enterprise does its job in keeping with the new method of economic administration and the regulation concerning enterprises announced by the Council of Ministers, our water enterprise will concentrate on improvements conforming to the principles of a true enterprise and progressing to an administration along the lines of the new methods for economic administration issued by the state. Economic activity will be responsive to the economy so that it will make a profit for the state and clear up indebtedness. The remaining old administrative methods which are authoritarian and involve subsidies will be eliminated, and we will advance to individual mastery and collective mastery for the workers and increase production efficiently. Production will be increased more and more, which will contribute to the state budget, and the standard of living of the cadres and workers in the business will be steadily improved. The two military

duties will be carried out. The Second 5-Year Plan will achieve success through research and study by being unified from top to bottom in each administrative unit and by the cadres and workers in the company applying the regulation of the Council of Ministers to their actual behavior in the company so as to achieve real results. We will proceed according to our capabilities in materials, capital, and labor and the demand of the consumer. We will conduct our business so as to make production benefit the individuals involved and change the payments for labor and salaries, which are fixed and subsidized, so that they are paid as contracted and according to production.

8149/12913

CSO: 4206/69

LAOS

MATERIAL SUPPLY SECTOR OFFICIAL DISCUSSES OIL SUPPLY

Vientiane PASASON in Lao 23 Jan 86 p 3

[Article by Kongmali: "Progress of the Material and Fuel Supply Company"]

[Excerpt] In the past 10 years the material and fuel supply company, which was under the direction of the materials department and is now under the Ministry for Material-Technical Supply, has expanded steadily in all areas both in quality and in quantity. The large storage areas and the oil transport unit have been expanded. Progress started when this company was a department administering oil and had only about 40 cadres and workers. Now it has become an enterprise responsive to the economy by dividing its administration into three large branches. It has more than 300 cadres and workers who have achieved unity and solidarity and have answered every call from the nation and on their jobs. Because of their untiring industriousness they were able to accomplish this in 10 years, as Mr Bounkong Kacovongsot, deputy director of the fuel company, informed us. All the fuel brought in to meet various needs throughout the country came from two sources and increased 1.81 times compared with 1980. Of this amount, imports from the socialist countries have increased 16.04 times and imports from capitalist countries have decreased 0.83 times, indicating another instance of decreasing dependence on oil from the West and increasing use of oil from the East. At the same time, in order to meet the demand for fuel on time, the oil distribution network was expanded along the important routes and branches were set up in each province.

Through the hard work of the cadres and workers of the fuel company, who have worked as distribution representatives since 1983, the company has saved 22,671,753 liters. In addition to taking care of the supply of oil they also made various improvements such as taking care of the storage of lubricating oil which had been leaking from many rundown tanks at the Esso facility. They inspected and repaired technical facilities such as storage tanks, valves, and pipes which were damaged and full of holes. At the same time they resolutely proceeded with various construction projects; the tank construction team produced 58 units of 25-cubic-meter, 5.5-cubic-meter, and 2-cubic-meter capacity, which together could hold 275 cubic meters. Storage capacity increased 1.13 times compared with capacity under the old regime.

Now the material and fuel supply company is striving to make the fuel oil company into a socialist enterprise with fixed prices which will operate

correctly under the new system and accept the plan concerned with their activities such as their obligation to supply oil to the various branches of the central economy in order to participate honorably in maintaining and building the socialist nation.

8149/12913

CSO: 4206/69

9 April 1986

LAOS

BRIEFS

WOOD PROCESSING INDUSTRY PROFITS--On the occasion of the yearly summary of the state saw mill enterprise of Vientiane City, on 25 January 1986 Mr Bounthon Keochounda reported to the meeting that in 1985 the company was able to achieve the planned goal to a great extent; it was able to process 5,524,034 cubic meters of logs and produce 2,664,218 meters of lumber, and it achieved an average of 53 percent of the planned goal. Altogether the company was able to achieve an income of 36,553,236 kip. [Excerpt] [Vientiane VIENTIANE MAI in Lao 29 Jan 86 pp 1, 4] 8149/12913

OUDOMSAI TAX COLLECTION--From December 1985 to the present the members of agricultural cooperatives and farmers of Houn District, Oudomsai Province, fulfilled their obligation to the state by bringing in rice to pay the agriculture tax to the state which amounted to 750 tons. Viengthong Canton and Namphounmi Canton were above average with more than 165 tons. This amounted to 95.16 percent of the plan. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 27 Jan 86 p A10] 8149/12913

CSO: 4206/69

MALAYSIA

VOPM EDITORIAL MARKS STATION ANNIVERSARY

BK241525 (Clandestine) Voice of the People of Malaysia in Malay 1230 GMT
22 Mar 86

[Editorial: "We Warmly Greet the 10th Founding Anniversary of the Voice of the People of Malaysia Radio Station"]

[Text] Today, 22 March 1986, marks the 10th founding anniversary of the people's revolutionary radio station--the Voice of the People of Malaysia [VOPM]. On the occasion of this noble day and in remembrance of the brilliant achievements during the last 10 years, we extend our greatest respect to all comrades who have for the past 10 years performed their duties conscientiously and diligently and to all comrades and friends who have closely followed the development of our radio station.

Ten years ago, when the Communist Party of Malaya's Marxist-Leninist faction was 1 year old and when the revolutionary forces were [words indistinct] to save the party and army, the party's Central Committee successfully installed a radio station belonging to our own people, namely the Voice of the People of Malaya, based on the principles of independence, freedom, and self-reliance. Since that time, our country's people have abandoned the concept of [words indistinct] through revolutionary bravery and tenacity. They have successfully maintained the broadcasts of the people's first revolutionary radio station, beamed from the revolutionary base, for 10 consecutive years. This is an unprecedented achievement in the history of our country's revolution. Our achievement has boosted the revolutionary spirit of our country's people, enhanced their bravery in the struggle, and also greatly encouraged revolutionary struggle in other countries.

On 5 December 1983, a truly revolutionary party for our country's people, namely, the Malaysian Communist Party [MCP] was officially established. As an important propaganda apparatus for the party and as a true spokesman of the people, the Voice of the People of Malaya then changed its name to the VOPM and resumed its nationwide broadcasts. During the past 10 years, this red radio station has faithfully made important contributions to the cause of democracy and the struggle to liberate our country's people.

The establishment of VOPM is in accordance with the people's wishes and the interests of the revolution. During the initial stages of its establishment, there was an impressive campaign to support the radio station both in the border area and in the country. Our comrades and friends gave strong material and moral support for the radio station. They donated money from their savings and bought radio station equipment without thinking of any danger. They patiently listened to our broadcasts from various parts of the country and sent back invaluable data and constructive suggestions. As such, they have made positive contributions in the effort to improve the quality of radio transmissions. Their high and noble spirit during the campaign also boosted the spirit and determination of all comrades on duty at the radio station. At that time, all comrades and friends waging both armed and underground struggle in the border area and in the country had one common desire and determination, namely, they must have their own radio station!

The establishment of the people's radio station and the ability to maintain its transmissions undoubtedly constitute a great victory for the party, army, and people of our country in the political arena. The radio station has strengthened the fighting spirit of the revolutionary people and punctured the arrogance of the reactionary forces.

Our revolutionary struggle has proved that human beings indeed determine their own destiny and that correct political ideology is essential in any struggle.

Like the ten fledgling revolutionary movement, our VOPM radio station was able to withstand various attacks and pressures through long and arduous struggle. The VOPM radio station is now so important in our country that even some foreign news agencies and domestic reactionary forces have to monitor our transmissions. Our radio has become a bright beacon enlightening the hearts of people of various nationalities in the gloomy enemy-controlled area, where an atmosphere of white terror prevails, but it has become a thorn in the enemy's flesh. Countering the enemy's propaganda, our radio has successfully maintained wide contacts with the revolutionary people throughout the country. By listening to the people's radio, many revolutionary comrades just released from the enemy's prisons have had the opportunity to renew their revolutionary fervor and self-confidence prior to resuming their ties with the party.

In commemorating the 10th anniversary of the establishment of our radio station, let us recall the course we have already passed and review our successes and experience. This will definitely be a significant factor in charting our new future and asserting the new objectives of our struggle. The VOPM was established under extremely difficult circumstances. At that time, our party had just been established. Many tasks were to be completed in various fields. Thus, it was a great challenge for us to establish a radio station because we received no foreign assistance and had neither experts nor experience. Thus, you can imagine what problems lay ahead in broadcasting. However, we would not have got any experience if we had not been courageous enough to move ahead, and we might have to wait for 10 years

or 20 years to establish our own radio station if we had waited until all the requirements were met or until outside assistance came. Our countrymen are in fact a strong and creative heroic people. By abandoning the old path, we set a correct path in guiding our revolution toward independence, freedom, and self-reliance. Indeed, it was thanks to this spirit that our radio station was established. We trained our personnel in various departments including technicians, news writers, editors, announcers, translators for various languages, musicians, and station guards. We provided material and technical facilities necessary for a radio station and made military arrangements to counter enemy attacks at any time. By combining the revolutionary spirit with a scientific attitude, we realistically did whatever we could do to the best of our ability. We neither underestimated nor overestimated ourselves. In addition to learning from modern experience, we [words indistinct]. We respect our own experience more than the experience of other people. Our objective is to gradually make our radio station a people's radio station with a distinct revolutionary character and national rhythm. We are making efforts to enable it to better serve the people and the revolutionary struggle.

Over the past 10 years, our radio station has developed itself as a strong, perfect, and mature station which continues to advance to achieve higher objectives. We do not adhere to a principle under which we will not work until we are capable of doing so, but we adopt a principle under which we will work while learning how to work. Initially, our radio station could only broadcast in three languages, namely Malay, Mandarin, and Cantonese. However, we were able to add Tamil to our broadcasts 3 years later. The contents and nature of our program have improved to a certain extent as we have enhanced the conditions and our capabilities. We have brought up and produced a number of personnel in various departments of our radio station over the past 10 years. In practice, our comrades involved in these tasks have generally deepened their comprehension of various domestic issues and situations and enhanced their ideological thoughts and working capabilities. Over the past 10 years, our radio station has succeeded in enduring enemy pressure and maintaining its broadcasts in extremely dangerous circumstances. The station continues to disseminate the revolutionary truth and the party's policy and teachings to the people of various nationalities through the red frequency. By broadly broadcasting news about the victory of the people's struggle and battles fought by our army, voicing the people's call [words indistinct], and broadly spreading revolutionary propaganda, our radio station has dealt a serious blow to the reactionaries at home and abroad, provided revolutionary education and an impetus to the people of various nationalities, strongly supported the armed revolutionary struggle and the patriotic and democratic movement, and continued to encourage the favorable revolutionary situation. Over the past 10 years, we have learned from our own experience in broadcasting our radio station in a guerrilla-like manner to adopt ourselves to the needs of the struggle despite the successive encircle and crush campaigns launched by the enemy and our material difficulties. Over the past 10 years, our party has drafted a correct propaganda line for our radio station. The propaganda line embodies the principles of independence, freedom, and self-reliance and requires us to seek truth from facts, to maintain the

truth, and to encourage the revolution. Under this line, our radio station has a clear direction in its tasks. We are no longer influenced by public opinion at home and abroad and repeat their mistakes. We now analyze all events at home and abroad by relying on our principle of independence, and [words indistinct] from the reality of our national revolution. Based on the basic interests of our people, we understand deeply the situation in our country, combine theory with practice, firmly adhere to the popular revolutionary stand, strongly propagandize the party's policy and recommendations, expose the enemy's evil rule, and carry out a relentless and untiring struggle against all reactionary crimes and acts detrimental to the people's efforts and the revolutionary interests. We make strong efforts to contribute to revolutionary development, strengthen the people's unity, and fight to achieve the noble objectives of the revolution.

In short, the 10 years that our radio station has gone through were years of our relentless struggle, self-reliance, and progress. The 10 years that our radio station has gone through were a militant, brilliant, and successful period. Over the past 10 years, despite great gains and successes in our tasks, we have still had individual shortcomings [passage indistinct].

As dialectical materialists, we will not glorify ourselves and are satisfied with our gains and successes. Neither will we underestimate ourselves nor be disappointed over our shortcomings. We will respect our gains and take note of our shortcomings in order to make efforts to achieve new progress. We will continue to make efforts to improve our own tasks and enhance the quality of our broadcasts on the basis of the party's political guidance and the development and needs of the struggle so as to fully lead revolutionary public opinion. At present, the task of our radio station is to encourage the development of the democratic movement and a revolutionary united front in the country. Our firm principles are to maintain the armed struggle, broadly disseminate revolutionary propaganda to encourage revolutionary unity, and strengthen the unity among the people of various nationalities so that our radio station, namely the VOPM, will really become the most outspoken station and reliable spokesman for the people.

/9738

CSO: 4213/117

PHILIPPINES

BERNAS COLUMN ON WRITING NEW CONSTITUTION

Quezon City VERITAS in English 16 Mar 86 p 5

["Occasional Reflections" by Joaquin G. Bernas, S.J.: "Looking for a Constitution, Patiently"]

[Text]

IT HAS BEEN reported that a small group of sages, thirty, perhaps, or slightly more, will be convened (and put on bread and water?) for a period of 90 days during which they are expected to hammer out (tailor, perhaps?) a draft of the definitive Constitution to end all constitutions. Thereafter the masterpiece will be presented in a plebiscite for ratification by an admiring and grateful populace. It is further said that, after all, the 1935 Constitution was the masterwork of only "Seven Wise Men" — implying thereby that the long deliberations of the 1935 Constitutional Convention were merely a *moro-moro* staged for the titillation of the uninitiate. Meanwhile, the person who alone has the power to convoke such a collection of constitutional craftsmen has not said that the idea is hers. In fact the reports attribute the idea to other geniuses.

Geniuses are not necessarily the best prescription for a nation in crisis. After all, wasn't FM some kind of a genius? At any rate, in a democracy it is dangerous to entrust the formulation of the people's most important legal document to a group that is not popularly chosen, even if they be geniuses who can work best on just bread and water. Rather, a Constitution should be a distillation of the brightest sparks that come from the clash of ideas coming from people of diverse outlooks and interests. That can only happen if the framers of the Constitution are chosen by the people

themselves pursuant to a law that prescribes diversity of representation.

I can understand that reasons of economy of both time and money might make the short-cut formula attractive. (But God help us, if, even after a euphoric revolution, the scheme is more a devilish ploy to camouflage hidden selfish agenda.)

I grant that there is need to put a fundamental law in place so that the government will not think that it is absolutely free to roam through uncharted routes. But, first, a *permanent* fundamental document should not be a rush job; and second, the need for *some* fundamental document to guide the government and satisfy the people's desire for regularity of expectations from government can be filled by using a *provisional* constitution for a clearly limited period and until a permanent document is properly formulated with all the necessary formalities.

This writer, therefore, recommends that the government formulate and announce a *provisional* constitution by which it will bind itself to be governed during this transition period; and the government should announce that, within a specified period, a constitutional convention consisting of elected delegates will convene to draft a constitution for presentation to the people in a plebiscite. I imagine that the whole process from provisional constitution to constitutional convention to permanent constitution can be completed within a

period of no more than two years counting from last February 25.

The *provisional* constitution can consist of a combination of the "best" parts of the 1935 Constitution and of the original 1973 Constitution before it went through the martial law meat grinder. Granted that the patchwork job will not be the best, and granted that the patchwork artists will not be the very best; but the result will do -- as a *provisional* document. Its disadvantages will be a price worth paying for the prospect of formulating a more satisfying *permanent* document.

When I try to imagine how the provisional document should look like, what I frankly find most challenging is trying to figure out how legislative power should be allocated. But when you begin on the premise that the February revolution booted the Batasan members out of the building and into Don Mariano Marcos Avenue, the task becomes less challenging, provided that the temporary arrangement will only be for a maximum period of two years. What could the temporary legislative arrangement be?

I have always contended that the best form of government is monarchy, provided *I* am king. But for a limited period of two years, I would be willing to yield to a queen who truly has the welfare of the nation at heart. Or, if you prefer, the Cabinet can act as the provisional legislative body, which, acting as a body and not as individual Ministers, can be tasked with formulating, debating, and approving bills which the President can enact into law. Such a temporary arrangement can be a compromise between one-woman legislation and legislation by an elected assembly. Such an arrangement would be immensely more sufferable than the P.D.'s with which the nation was deluged from 1972 until last February.

The long and the short of it is, let's not rush the formulation of our permanent Constitution, even if the price we pay must be submission to a provisional legislative body whose credentials might not satisfy the sensibilities of the most democratically fastidious.

PHILIPPINES

VERITAS ANALYZES BAYAN DILEMMA OVER AQUINO PRESIDENCY

Quezon City VERITAS in English 16 Mar 86 pp 14, 15

[Article by P. N. Abinales: "Cory Aquino's Presidency and Bayan's Dilemma"]

[Text]

APPRAISING the political climate prior to the Feb. 7 snap polls, a political analyst commented half-seriously and half in jest, "A Cory Aquino win will become Lean Alejandro's biggest nightmare."

That statement has now come true as Cory Aquino, through massive popular support and a military revolt, ascended to power to become the 7th president of the Philippine Republic. Cory's victory, according to some questions, proved all predictions of the Bagong Alyansang Makabayan (BAYAN) false; that a Marcos win was a foregone conclusion in the polls, leaving the people no choice but to boycott the Feb. 7 event.

When BAYAN, the largest left-leaning alliance in the country proclaimed its stand to boycott the election, not a few who had initially sympathized with its political views questioned the wisdom of

its decision. Radicals within and outside the academe viewed the BAYAN position with apprehension, warning that a sectarian stand would isolate the alliance from the desire of the majority of Filipinos to electorally challenge Marcos power; thus it ran the risk of depriving itself of an opportunity to expand its influence and advance its militant politics. Some criticized BAYAN's non-appreciation of the value of tactical politics while others saw in the boycott position indications of ideological atrophy on the part of what was presumably a left organization. The popular reaction was one of surprise and concern as BAYAN, which definitely owed part of its growth to the 1983 Aquino assassination and its aftermath, appeared in most people's minds as an organization most willing to allow Marcos to win hands-down against a badly splintered opposition.

The alliance itself unwittingly abetted the unpopularity of its call. When it initially entertained the idea of critically participating in the polls, it advanced a number of demands to Mr. Marcos which, apart from addressing them to an isolated dictator, were also impossible to fulfill. When the regime chose to ignore BAYAN, it countered by making the same demands to Cory Aquino. An offer by non-BAYAN yet left-leaning groups to consolidate a "nationalist bloc" within the Cory camp was refused by the alliance on the grounds that the "bloc's" political line was unclear.

The BAYAN leadership did not help much either in explaining to the public the boycott position. The arguments of Lean Alejandro, BAYAN Secretary-General, were found wanting on the level of principles forcing him to argue along pragma-

tic grounds. In an interview with the magazine *Midweek*, Alejandro stressed more the pragmatic considerations involving the electoral battles against a well-prepared Marcos and dwelt less on the principles that premised the boycott position. J.V. Bautista, in a forum at the UP Faculty Center, impressed the crowd with his warnings about the role of the United States in the election. While he virtually accused the majority of Filipinos of having a "wrong political perception," he also categorically predicted a Marcos victory through fraud and terrorism. The publicized comments of Etta Rosales, especially her accusations of Cory Aquino as an "American tool," only served to antagonize more people.

The confusion brought about by the boycott stand logically led to tensions within the alliance. The call prompted a series of

resignations and leaves-of-absence by known leaders like Lorenzo Tañada, Ambrosio Padilla and BAYAN director Firmo Tripon. Organizations like GABRIELA were rocked by resignations of leaders and affiliate organizations. Even Mita Pardo de Tavera reportedly resigned from GABRIELA due to alleged manipulation of certain people supporting the boycott position. There were complaints and dissension from regional chapters. Some chapters like BAYAN-Mindanao opted to support Cory Aquino and turned their provincial headquarters into Cory and UNIDO centers overnight. A last-minute press report of a unified national executive committee stand in favor of boycott could not hide the dissension within the alliance's purported two million-strong membership.

THE boycott position of BAYAN placed it outside the mainstream of political activity. Many feel that it lost its political initiative as an anti-Marcos opposition with groups like the social democrats and the liberal opposition which, in the past years, had been organizationally inferior groups. In spite of efforts to portray boycott as essentially parallel and non-contradictory

to that of participatory opposition, BAYAN suffered a loss of political credibility. Some say the much-publicized Lakbayan ended a dismal propaganda flop when people refused to support it. Other BAYAN-sponsored mass campaigns suffered in comparison to the huge numbers that attended Aquino rallies. In my hometown, for example, BAYAN rallies could muster, at best, only about 1,000 people with considerable participation from the outlying villages. But the Aquino visit brought 6,000 people to see and hear Cory present her candidacy and political position. A pitiful sight was witnessed on the day of Marcos' proclamation when boycott vans were stoned along with pro-Marcos caravans by an enraged populace. The popular mind seemed to equate the boycott position with a pro-Marcos stand.

The popular effort to defend the ballot amidst widespread terrorism by the Marcos dictatorship caught BAYAN by surprise. The alliance, and even some of those who rallied to the call of "critical participation," never expected the fervor, enthusiasm and sacrifice, the people were willing to go through to ensure fair and honest elec-

tions. Never in the history of the 14-year rule of Marcos did so many people, from different classes and sectors, unite to prevent Marcos from pulling off another one of his shams.

Still BAYAN refused to recognize the folly of its boycott position. Acting BAYAN chairman Rolando Olalia's immediate post-election pronouncement — a sugar-coated version of a "we told you so!" argument — only enraged Aquino supporters and forced other BAYAN leaders to publicly rebuke the lawyer leader of the militant labor federation, KLU.

The new situation has placed BAYAN in a dilemma. Its militant project to transform Philippine society through active opposition to the Marcos dictatorship lost its steam with the downfall of Marcos. Moreover, Marcos fell because a political process which BAYAN has consistently called a "sham" — the elections — had actually worked.

BAYAN faces a new regime that is unquestionably leaning towards a revival of certain aspects of pre-martial law politics but which commands massive popular support. While BAYAN may raise such issues like the so-called "elitist" composition of the Aquino government and the in-

fluence of the United States, it still cannot confront the new government. For the Left — to attack the new government as a "U.S.-Aquino dictatorship" (already there are sporadic comments that the February "revolution" was nothing but an American-sponsored *zarzuela*) will merely alienate more the moderate forces as well as isolate the left from the mass of Cory Aquino supporters.

The continuing controversies that hound BAYAN since its inception in May 1985 are looked upon by most analysts sympathetic to the Left as mere manifestations of deeper problems within the Philippine revolutionary movement itself. Will BAYAN ideologically survive the events of February? Shall it set aside its need for an ideological re-examination of both the past and the present so it can better determine the more appropriate political strategy and tactics in the new period?

All these are questions which BAYAN alone cannot answer. They might as well be addressed to the entire Left Opposition that now faces a new regime that has vowed to restore liberal democracy after 14 years of dictatorship.

PHILIPPINES

BAYAN NATIONAL COUNCIL MEETS, ASSESSES BOYCOTT

Quezon City VERITAS in English 16 Mar 86 p 14

[Article by Gigi S. Oyog: "A Serious Reexamination of Policy"]

[Text]

FOR an organization that has undeniably earned esteem for having been in the forefront of the long struggle against Marcos in the past, the Bagong Alyansang Makabayan (BAYAN) now finds itself facing yet another predicament; a painful accounting is only one of the prices it must pay for what could have been a wrong stand it took in the last elections.

At a two-day meeting of its National Council last week, Bayan faced its "toughest item on the agenda": a painful assessment of its unpopular boycott position in the context of post-election developments. What resulted, according to a *Veritas* source, was an "honest-to-goodness self-flagellation." Although Bayan has not issued its official assessment of the boycott position pending a more comprehensive review, preliminary conclusions show that Bayan has admitted "shortcomings."

Bayan maintains that boycott was correct insofar as its prediction that the past election would be fraudulent and that Marcos would use the state machinery to produce a new, however false, mandate, for himself. However, according to reports, most Bayan

officials admit first, having "misread Cory."

Earlier, Bayan had voiced its reservations about Cory Aquino saying she would be "an easy prey to traditional and conservative political forces." This despite the fact that she was perceived as a liberal democrat. But, Aquino's actions since assuming the presidency have gladdened Bayan officials for showing "a very apparent progressive streak." Those actions include her order to release all political prisoners, especially the "impossible cases" like Jose Ma. Sison, admitted chairman of the Communist Party of the Philippines and Bernabe Buscayno, head of the New People's Army and her restoration of the writ of habeas corpus. According to a Bayan official, there have also been actualizations and pronouncements that show Aquino "may be leaning towards popular democracy" through appeals for people to organize and be vigilant, her policy of consulting the people, and her call to create representative assemblies. According to the same Bayan official, she now only needs to act on "nationalist issues" like the US bases' agreement and the IMF-WB impositions and genuine

land reform.

BUT, Bayan's "greatest miscalculations" according to sources, was "having underestimated the people themselves." Another Bayan official, explained that they apparently had underestimated the extent Filipinos were willing to go and fight not only for Cory Aquino but more so for themselves and their rights.

By Jan. 8-9 when Bayan reached its decision to boycott the polls, a Bayan official acknowledged that the organization "should have been more cognizant of the unfolding events" and perhaps, recapitulated on its stand of "active and militant boycott." The tell-tale signs were, according to him, the time constraints to sufficiently campaign for the boycott, the groundswell of support that the pro-participation opposition forces were receiving, and the huge number of Namfrel volunteers.

In the light of all these portentous developments, the Bayan official suggested that perhaps, it would have been better to have softened its "non-participation stand" and allowed its members and the public "freedom of con-

science" to do as they will. Harnessing its efforts to organize the Bayan network into an anti-fraud and anti-terrorism machinery to complement the work of Namfrel also should have been considered earlier.

Alas, as the Bayan official sighed, all this is now hindsight.

For all its shortcomings, it is now perceived that Bayan would have difficulty in getting back into the mainstream, isolated and suspected as they were during the entire pre- and post-election period up to the four-day military revolt-people uprising. Even as Bayan announced its support of Aquino's call for civil disobedience and mobilized groups to join the barricades along Santolan road, in Ortigas avenue, in front of Camp Crame, at Mendiola at the height of the "revolution," Bayan was criticized for "making *papel*," for being "too late the heroes," and for having "no moral authority to participate now." While a Bayan official said they took all the jibes "good-naturedly," he lamented, "We never said that only Bayan would liberate (the people from Marcos). What we have been doing is to politicize people, organize, and mobilize

people. There is no reason to say now that we have no moral authority to participate in the making of a new democratic regime and that we had no part in the making of history. It is really unfair for us who have been involved in the mass movement, who have exposed ourselves to danger during the repressive and ruthless regime of Marcos. People need to reflect on what Bayan had been struggling for."

Still pained by an earlier "fixation" that Bayan would reap the people's disillusionment over the sham elections and its gains almost forgotten, Bayan will continue to exist. The organization has agreed on a "principled and vigilant support of the Aquino administration." It will extend its "critical cooperation" with the present government on programs and policies which would serve the interests of the people." But more importantly, it will assist in harnessing and organizing the newly-found "people power" in order that genuine popular democracy will be attained. In answer to Aquino's call for representative assemblies, Bayan has joined other political groups in different cities and municipalities to form people's consultative committee "to complete the dismantling of the Marcos dictatorship."

As one griped, "Whether the people like it or not."

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CSO: 4200/834

PHILIPPINES

VERITAS REVIEWS NORTHERN LUZON TRIBAL LOSSES

Quezon City VERITAS in English 16 Mar 86 pp 18, 19

[Article by Cooper Resabal: "Reclaiming What Was Theirs: At Last, Justice for the Ibalois"]

[Text]

BARELY an hour's ride from Baguio City, the summer capital of the Philippines, lies Taloy Sur, a border village of La Union and Benguet provinces. Surrounded by three mountains, this land used to be home to 81 Ibaloy. For generations, members of this Igorot ethno-linguistic group sustained themselves by planting the fertile hills and valleys with rice, corn, tubers, beans, tomatoes and fruit trees. The spacious area also served as pastureland for cattle, goats and carabaos.

This was until 1975 when 355 hectares of this choice agricultural land were marked off by the Ministry of Tourism/Philippine Tourism Authority (MOT/PTA) for the construction of a park "to provide comfort and convenience for golf enthusiasts in consonance with the authority's efforts to promote the Philippines as a golfers' paradise in Asia." More important, Taloy was chosen as a site for a Mt. Rushmore-type monument to then President Marcos.

Beginning 1972, the Taloy folks began to be apprehensive of certain developments in their area. They were initially grateful for the construction of a highway (called Marcos

Highway) which traversed through their community from Agoo, La Union to Baguio City. This, they thought, would give better market access for their products. When the road project was almost completed, the Taloy residents were appalled when they were served notices by the Bureau of Forest Development prohibiting them from gathering forest products, cutting trees and cultivating the land. By virtue of Presidential Decree 705, otherwise known as the Forestry Code, their land became public property. Then President Marcos declared five kilometers from each side of the Marcos Highway as forest making such lands "inalienable."

On June 24, 1976, former Tourism Minister Jose Aspiras arrived with around 30 fully-armed military men in a helicopter. For the first time, the Taloy folks were officially informed of the MOT/PTA's plans to convert their village into a tourism complex that includes a 30-foot high bust of then President Marcos, a clubhouse, an international standard golf course and other sports facilities. Residents were promised priority of employment in the park. The tourist project would need gardeners, caddies, entertainers,

dancers, etc., they were told. "When the government wants to take back our land, we should give it willingly, (just) like when God wants to take back the life of a person," the villagers were reminded.

In the presence of combat-attired military men, the former tourism minister prepared checks on the spot to serve as compensation for their land. They refused the offer.

In 1979, a combination of persuasion and threats finally made the people agree to a uniform relocation compensation of P10,000.00 each family regardless of the size and status of their lands. They were given a second installment late in the same year for rice fields, crops, fruit trees, etc.

THE displaced families refused to occupy the relocation site provided within the park. The houses erected on reclaimed ground, besides being too closely clustered, prevented the Ibaloy from cultivating backyard gardens or raising animals for home and farm use.

A number of families left for La Union, Kalinga, Isabela and other nearby provinces. Others bought parcels of land with the

money they got. Some lost their money in investments made in Dimensional, a corporation which collapsed along with Agrix.

Many of those who remained have resorted to swidden farming. From surplus producers, they have become marginalized farmers. The loss of the land, their only source of livelihood, also meant a deterioration in their condition of life. Tely Tacay, one of those displaced said, "It's difficult to lose land, especially now that basic necessities have become expensive." Pointing at the site of the clubhouse, she sighed: "That used to be our land. We didn't have to buy rice before. Now, the area we can cultivate has become smaller and smaller." An elder affirmed, "What's the worth of the project when it can't be the source of livelihood? Livelihood must be first, before leisure."

As of December 1985, only around 15 have been employed in the park as janitors and gardeners. They received P19-24 daily wage.

The river the villagers used for irrigating their rice paddies is gone. The former Tourism Ministry harnessed it to serve the park. "We don't even have an adequate source of water for our own plants. The grasses in the park were better watered," the former residents lamented. The park reportedly consumed millions of gallons of water every week to maintain the golfing greens.

Since late 1985 and early this year (1986), the Taloy folks have initiated extra-legal moves to reclaim the land by clearing former swidden farms in the park. They are now looking forward to planting on their land again.

Also, last year, the Taloy Folks Organization was formed, "to reach a broader unity among the Taloy people" and to establish linkages with other tribal communities in the Cordillera.

In a meeting held on February 27 the Taloy folks and other members of the Cordillera People's Alliance (CPA) have resolved to hold a people's recovery ceremony last Sunday to be capped by a ritual "defacing" of the 30-meter high bust of the recently-deposed Philippine dictator Ferdinand Marcos.

At dusk, a *mambunao*, the village priest, led the chanting of the *Bad-iv*, a traditional Ibaloy song that chronicles the history of the clan and the village. This particular *bad-iv* tells of an Ibaloy couple, dead for almost ten years, but who wished to be buried in the land of their birth. Their descendants have transported their bones from the lowlands and brought them back to Taloy village to rest. But the ancestral burial ground is gone. It had been bulldozed and on it now stands a clubhouse and a huge monument of deposed President Marcos. "Our ancestors cannot rest until the land is regained," the Ibaloy chant filled the night air.

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PHILIPPINES

IBALOI TRIBE'S HOPES RISE AFTER MARCOS FALL

Quezon City VERITAS in English 16 Mar 86 p 20

[Article by Peachy Yamsuan]

[Text]

CROUCHED beneath bougainvillea shrub, some 50 Ibaloi men, women and children of Taloy Sur stoically eyed the visitors gathered in front of the Marcos bust in Palina, Pugo, La Union, not knowing what to expect. Above them towered the concrete head of the man they had always regarded as the "invader." Now, they did not quite know what to do with this giant face that stood jutting out of their mountainside — nor did they care much. What they had come for was to see if, finally, after ten long years, an end has come to their silent suffering.

The tribespeople came as early as 9 a.m., the elders in their traditional Igorot costumes, bearing baskets filled with boiled corn, bread and turnips. But others had preceded them, a curious mix of Sunday picnickers, tourists and media men (mostly foreign). An Ibaloi community leader, Crispin Salangan, 42, explained to his people that the crowd of foreigners was necessary to help call attention to their demands to recover their land and to repeal the past administration's oppressive decrees. But this, of course, was a minor invasion compared to the one that occurred a decade ago to that left them without dignity, without their primary source of livelihood and without their ancestral lands.

For generations the land planted to rice, vegetables, root crops and fruit trees belonged to 81 families. But they had to part with it for a pittance, because as they were told then, the "face" was like God who would have his way with their land anyway. "His way" was to convert their ancestral land into a park containing a country-club style pavilion complete with facilities for tennis and swimming, a sprawling 18-hole golf course and a hostel.

So natives, like Felipa Nalica, now 70, who got P4,000 for her two-hectare property, was forced to settle in the crowded lowlands, unable to plant in the way they did before. Land values had been set from a low five centavos to a high of fifty centavos per square meter depending on whether the owner could present a land title or a mere tax declaration.

FOLLOWING their land expropriation, the Ibalois resorted to mass actions, despite military surveillance and threats from local officials, to dramatize the unjust situation imposed upon them and the need to recover their lands. Meanwhile, they watched as the figure on the mountain top slowly took form until it was finally completed in 1984.

Now they had hoped to blast that monumental face that symbolized the desecration of their land

as the first step towards regaining their property. But they heeded the appeal of the new Tourism Minister Jose Antonio Gonzales to preserve the bust.

This disappointed the host of city folk and media men who had trooped to the park in anticipation of a dramatic climax to historical events that saw the toppling of a dictatorial regime.

The Ibalois, instead, held a *cañao*, a religious rite which for that occasion took on the deeper meaning of hope for the recovery of their land.

The *cañao* started off at 3 p.m., with prayers chanted by elderly Ibaloi men. As a fire was built, a wild pig was hoisted above the stone face to be slaughtered. Bright crimson poured onto the crown of the head and streamed down in thin rivulets. The carcass was then put to the fire, cleaned and its belly sliced open. A village seer reached in to extract the liver, examined it and pronounced it clean. A clean liver from the sacrificial animal in a *cañao* is a portent of good things to come for the Ibalois, and the people cheered.

All throughout the ritual, an emcee-translator implored the milling crowd of spectators and journalists to refrain from turning the religious event into a circus.

Community dancing then followed, initiated by the old men

and later on joined by women, Ibalois and other members of the Cordillera People's Alliance. The festive beat of the celebrations continued on until sundown.

So agitated were the non-Ibalois present that plans to pour red paint all over the bust or to ignite a gallon of gasoline around its neck were bandied about. In the end, they settled for desecration of the face with banners around the forehead and carabao horns on the brow. Earlier, small pockets of Bayan demonstrators staged a mini-rally at different points facing the monument.

Today, the Ibalois are concerned not so much with the desecration or destruction of the stone face as they are with gaining back their land. If they would ever want to be rid of the bust, it would only be because they do not want any sordid reminders of their sufferings.

"We are simple folk who are not used to fine furniture, draperies and carpeted floors. We cannot and do not play tennis or golf," Rose Lobotan, spokesperson of the Taloy Folk Organization stressed. As far as the Ibalois are concerned, she continued, the government can do anything they want with the monument. "If they don't want us to destroy it, then they can have it. They can have it transferred anywhere — perhaps to Hawaii. We don't care."

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PHILIPPINES

WEEKLY REPORTS ACTIVITIES OF 'FREED' MEDIA

Quezon City VERITAS in English 16 Mar 86 p 21

[Article: "The Freed Press: 'As We Were Saying Before We Were Rudely Interrupted...'"]

[Text]

THE freed Philippine press is swiftly easing back to its interrupted chore of reporting the news fairly and objectively as best as it can.

The interruption was caused by the 14-year dictatorship clamped on the country by the deposed Marcos regime which used a martial law declaration as its venue to one-man rule.

The dictatorship transformed what was once described as "Asia's truly free press" into a blatant government propaganda mouthpiece through control of mass media ownership and use of state terrorism on recalcitrant journalists.

Liberation of the Filipino press is one of the immediate results of the successful four-day people's revolution which put an ignominious end to the dictatorship and is now ushering the country's return to the preferred democratic form of government.

Thrust into power by the revolution is the barely a month old government of President Corazon C. Aquino. The proverbial herculean task facing the new administration is rehabilitation of the nation from the socio-economic-political devastation wrought by its unlamented immediate predecessor.

THE revolution was triggered by resentment of majority of Filipino voters over the stealing of the Feb. 7 presidential elections by the Marcos regime which committed fraud unprecedented in the country's electoral history.

As presidential candidate of the political opposition, Mrs. Aquino, by the overwhelming support accorded her by the people, personified the public's disgust with the Marcos dictatorship and its world-famed track record of repression and plundering of the country's resources for self-enrichment.

One of the planks of the Aquino government is a free mass media guarantee, regulated only by the traditional libel laws and perception of its practitioners of what is decent and responsible journalism.

Such a guarantee is speeding up transition of Filipino mass media from a tightly muzzled press to one which tries to objectively report news events relevant to the public.

Underscoring the change is a welter of favorable and unfavorable reports on the activities of the new government and unrestrained editorial comments in contrast to the days of managed news and disinformation dished out by the controlled press of the dictatorship.

Pacing the process of change are three emergent national dailies. They are *Malaya, Philippine Daily Inquirer* and the revived *Manila Times*. All three are enjoying booming circulation and an increasing number of advertising clients.

POPULARITY of the three dailies indicates that the Filipino reading public has developed a perception which enables it to detect whether a newspaper is really worth the name or just a manipulated sheet. Such an ability stems from the many experiences of the people with the Marcos dictatorship.

The same public perception explains why the so-called "crony press" or mass media units identified with the Marcos regime are presently fighting for their economic lives.

While no confirmation is available, media circles are rife with reports that the crony newspapers are suffering from severe circulation hemorrhage and are being deserted by their advertising clients in droves.

The same reports allege that plight of the crony papers is telegraphed by their being compelled to reduce pages in their daily editions and the hasty change in editorial policy, specially in reporting news events without the usual slant and editorial comment which indicates a return to journalistic norms.

Closely following the print sector's return to free reporting is radio which enjoys the longest reach when it comes to mass communications in the country.

Such an ability is substantiated by a finding of the government National Census and Statistics Office (NCSO) that about 70 per cent of the estimated nine

million households in the country own a radio set.

RADIO's clout in informing the people and mobilizing them was totally demonstrated by the Catholic church-owned Radio Veritas which was the public's only source of real information on what was happening during the counting of ballots cast in the Feb. 7 polls and the fateful events that broke out beginning Feb. 22.

Radio Veritas, which rightfully merits all the accolades now being rained upon it, was instrumental in giving rise to what is now known as "people's power" which mounted the peaceful revolution.

Television is also falling into step. However, the medium remains a limited means of mass communications in the country. When last measured by NCSO, only 30 per cent of Filipino homes have a set. The majority are too poor to afford cost of the box.

The new government of President Aquino has repeatedly assured that mass media will be given all the opportunities to attain their potential in performance of their duty — that of being a reliable source of information relevant to the people's struggle for real socio-economic improvement.

For its part, the Aquino administration is presently busy dismantling the sophisticated and complex government propaganda apparatus built by the Marcos dictatorship.

Public information structure of the government will be simplified and its renderings not propaganda but factual reporting of activities of the national administration, according to implementors of the information policy of the new administration.

THAILAND

U.S. FARM ACT CONTINUES TO PROVOKE REACTION

Officials Say Relations 'Weakened'

Bangkok MATICHON in Thai 25 Feb 86 pp 1, 2

[Excerpt] Mr Wichan Niwatwong, the under secretary of commerce, discussed the results of the negotiations with Mr Mike Smith, the assistant U.S. special trade representative. He said that they discussed the matters that will be brought up at the next GATT trade conference to be held on 15 September in Geneva, Switzerland. Thailand will bring up the following matters: 1. there should be stipulations on agricultural goods to prevent unfair trade practices using export supports; 2. the textile and ready-made clothing trade on world markets should be free trade; 3. quicker action should be taken to resolve the trade disputes; 4. clear and specific reasons, rather than vague reasons, should be given to explain why protectionist measures have been implemented.

Mr Wichan said that one matter that the United States intends to bring up is the protection of intellectual property, that is, copyrights, patents and trademarks. Thailand feels that the benefits should be shared with other countries so that no one gains an advantage. As for Thailand's desire to have agricultural goods traded without export supports, if the GATT meeting is a success, the United States will have to repeal its Farm Act.

After meeting with Mr Smith, Mr Chirayu Israngkun Na Ayuthaya, the minister of industry, said that as a member of GATT, Thailand should try to foster greater cooperation in GATT in order to serve as a buffer to the opposition from members of the U.S. Congress on various matters. On this occasion, he talked to the U.S. representative about Thailand's economic problems with the United States. He told him: 1. the effects of the Farm Act pose a danger to relations between Thailand and the United States and this will have a great effect on Thailand's security and economy. 2. With respect to the protectionist measures implemented against steel pipe from Thailand, the United States did not consider the data from Thai producers. The United States believes that the Thai government is providing support. The United States must review these data. 3. Thailand is one of the countries that enjoys special trade rights. The United States should not use this as a bargaining chip concerning infringements of trade copyrights.

After meeting with Mr Smith, Mr Danai Dulalampha, the director-general of the Economic Department, Ministry of Foreign Affairs, said that Thai representatives are concerned about the bill pending in the U.S. Congress. An interesting matter today is the canned fish issue. The United States claims that it has suffered losses. It is trying to increase taxes in the canning industry from 12.5 percent to 24 or 34 percent.

Farm Act Linked to Intellectual Property Issue

Bangkok MATICHON in Thai 26 Feb 86 p 6

[Pracha Chun Stop Sign column by Khwaeng Thawiwat: "The Farm Act and Drug Patents: Separate or Related Issues?"]

[Text] When it promulgated the Farm Act, our ally the United States said that it did not promulgate this act with the intention of putting market pressure on the Thai rice trade. But no one with even an ounce of intelligence believes that. Even though the two countries sell different types of rice, with the United States selling higher quality rice, because the price of U.S. rice is lower than or about the same as that for Thai rice and because the United States extends credit, no one thinks that Thailand will be able to keep its customers, who, like most third-world countries, have little money. They will probably choose the benefits of long-term debt as offered by the United States.

It will be rather difficult to overcome the effects of the Farm Act, which has already been passed into law. The only thing to do is wait for 5 years, which is when the law expires. During this period, if the United States is sincere toward Thailand, one thing that it can do to help ease the Thai rice trade crisis is set its rice prices higher than those of Thailand. That is the only way that it can prove its sincerity as a friend of Thailand.

But we can't expect much from a great power whose only thought is to seize markets and who thinks more about economic profits than the value of acting like a human being in the world community. One thing that is quite clear is their attempt to get Thailand to give drug patents. They have been trying to do this for a long time now. For example, they threatened to abolish our special tariff rights in order to induce us to do this. Most recently, they cited intellectual property infringements and threatened to cut our special trade rights.

Actually, Thailand has the right to protect itself from the eagle. This was made clear in the report issued at the end of the seminar on drug patents that was held at Chulalongkorn University on 21 September 1985. We have to have measures to ensure the quality of the drugs for the consumers and keep prices from going even higher.

At the same time, as far as marketing is concerned, this will not have an adverse effect on American drug companies. Thailand still imports 22 percent of its drugs. We rely on the United States and other countries for more than 95 percent of our raw materials. And Thailand incurs expenses in learning about these drugs.

The drug list policy poses no obstacle to the trade profits of the United States because total domestic drug consumption does not exceed 5 percent. The domestic drug market is a free market and can even be considered to be too free.

What we should keep an eye on is the turmoil created by the Farm Act and drug patents. They say that if Thailand agrees to register the drug patents, Thailand will benefit from special actions taken to overcome the negative effects of the Farm Act. What is very interesting is what attitude Thai government officials, particularly representatives from the Ministry of Commerce, will take if they bargain like this. Because in fact, an "act" is different from a "bill," which, like the Jenkins Bill, can be modified. If we make the mistake of binding ourselves legally by registering the drug patents in the hope of deflecting the impact of the Farm Act, we will lose even more. That is just an empty hope. It's like hoping that a dog's tooth will turn into an elephant's tusk.

In response to the charge that we are infringing on their intellectual property, we should have the United States come and see what the real situation is like. The reason why the United States thinks that there have been infringements is that its interests have been affected slightly because of its inability to expand the influence of its multinational corporations.

The United States has interfered in the affairs of third-world countries through the use of direct force and in the name of providing help in developing the country. And these countries have gone into debt based on the recommendations of the United States. But no one has talked about intellectual infringements or the potential of the people.

Take the public health problem in Thailand, for example. Has the United States accepted responsibility for the shortage of doctors and nurses. This is like a "brain drain." The United States dreamed up the idea of waging a war on disease in the name of doing research on tropical diseases. Thailand became a test site to test the drugs of various U.S. drug companies, particularly birth control drugs.

People have to have faith in other people and in their civilization. All people should be treated like human beings. But today, the United States uses other people for its own benefit. Will we continue to engage in such unfair exchanges in the name of friendly relations but what is actually stupidity?

Farm Act Labelled 'Economic Aggression'

Bangkok BAN MUANG in Thai 15 Feb 86 p 5

[Ta Mo Lo column: "The Farm Bill, It's Time To Start Engaging in Kick Boxing"]

[Text] I wrote about the Farm Bill the day before yesterday. But I have received additional information from Canhanu, who writes the Khi Ma Sibanyen column in DAILY NEWS.

The Farm Act, which we refer to as the Farm Bill, will have the following effects on Thai rice:

1. The U.S. government will extend credit to American farmers to grow rice.
2. The government will purchase all the paddy or the unsold portion at guaranteed prices.
3. The government and the merchants will sell the rice at prices near world market prices (that is, they will lower their prices so that they are on a par with the price of Thai rice) without consideration for losses.
4. Rice will be sold to all countries, which will be granted long-term credits or allowed to pay on a long-term basis.
5. If a country does not have money to pay on installment, the United States will give the country a loan to purchase American rice on installment.

Thai rice is now in trouble. The United States has formulated a plan to smash Thai rice, and there is little that we can do. Normally, the price of American rice is somewhat higher than that of Thai rice because their rice is of higher quality. As far as marketing is concerned, we are at a disadvantage because the United States has greater political prestige than Thailand.

In the past, the quality of Thai rice was superior to that of American rice and so we became very proud. But, the Ministry of Agriculture made a mistake and began developing high-yielding varieties of rice without bothering to maintain the quality of the rice. Thus, American rice is now superior.

If the United States lowers the price of its rice so that it is on a par with that for Thai rice, which is of lower quality, Thai rice, particularly the second rice crop, will be in great trouble. And the situation will become even worse if the United States extends long-term credits and allows countries to borrow money to buy on installment. This is clearly a war of aggression because Thailand supports itself with rice. More than half the people in the country grow rice. If we can't sell our rice, how can we survive?

But the government, which is our leader, remains indifferent. We fought much more vigorously against the U.S. textile bill. The reason is that the textile merchants have great influence. They pressured the government to take action. They exerted pressure on everyone from columnists to the prime minister. But the farmers do not have such great influence and don't have the sense to exert pressure on people. Thus, there is great sluggishness.

The Farm Bill (actually, it is now a farm act) is much worse than the textile bill. The government will have to wage a fierce struggle to save the country. Plans must be made to confront the United States directly. We must wage a concerted struggle. Having a single hero won't work. We must also persuade other rice producing countries to participate in the struggle. There must be new production and marketing plans. In particular, we must use the same marketing strategy as the United States. If the United States grants long-term

credits to buyers, we must grant credits, too. We can use the credits extended to customers to guarantee World Bank loans. The World Bank must help us. Because we are a member of the United Nations and because the United States is committing economic aggression against us, the World Bank must give us support. We can fight back with the "weapons-credits" of the United States. Some of the goods that we purchase from the United States must be purchased using long-term credits. (We could buy rice from the United States on credit and sell it for cash. That would teach the United States.)

Besides this, we must review our foreign policy. We must determine whether we should continue to be an unswerving ally of the United States or whether it would be better to start dealing with the Soviet Union, too. We must review this in order to see what will help our farmers.

Things must also be improved with respect to production and production costs. Paragraph 2 of the Farm Bill states that the "(U.S.) government will purchase all the paddy or the unsold portion at a guaranteed price." We have been advocating this for a long time and have urged the government to do this. But the government has not been able to do this because it lacks money. But now it will have to do this. Mr Sommai will have to do this.

Actually, this will not require too much money, only about 20 billion baht. But Mr Sommai is more afraid of inflation than that he is of losing the war. Prime Minister Prem must make a decision now. If we are defeated in this struggle against the Farm Bill, the result will be much worse than losing a war. The Farm Bill poses a much greater danger than the situation along the border, where we are confronting Vietnam. Thus, we must wage a fierce struggle in order to save ourselves.

Act Tied to Drugs, Foreign Policy Issues

Bangkok THAI RAT in Thai 12 Feb 86 p 5

[Slap in the Face column by Plieu Singoen: "A Lesson From the Past"]

[Text] Why did the United States play such a "showy" role in the Philippine presidential election? The Philippines has not been a colony of the United States for a long time. That is easy to answer. The United States still has important interests in the Philippines, the obvious ones being its large military bases there.

In the past, the United States was the defacto ruler in this region. It had great influence in Laos, Cambodia and even Thailand. But after its defeat in the Vietnam War, the influence and prestige of the United States began to decline, and it left major problems for its allies.

Thailand did not suffer from its association with the United States as did Laos and Cambodia. But because we are their close neighbors, we have had to share our territory with Lao, Cambodian and Vietnamese refugees. And there is no indication that we will expel the hundreds of thousands of refugees. We were not responsible for what happened, but we have had to bear the consequences. The United States, which caused the problem but which is too far

away for Lao, Vietnamese or Cambodian refugees to flee there, has not shown any intention of trying to solve the problem. All it has done is give a little money to help support the refugees. Future generations of Thai will definitely suffer from this. The refugees will never leave as long as there is a Thailand.

There is no "Clark" air force base (the 13th largest U.S. air base) in Thailand as there is in the Philippines. And there is no U.S. naval base here as in the Philippines (with that base being part of the U.S. Seventh Fleet). Altogether, there are 30,000 U.S. servicemen in the Philippines, and this does not include the 20,000 hired Filipinos. Someday, the United States will try to reduce its aid to Thailand because Thailand refuses to allow them to benefit as in the past.

If they can distance themselves from Thailand, they will be able to get away from the Vietnamese, Cambodian and Lao problems. During this time of economic turmoil, they just want to pick up their bags and leave.

The farm bill is a very ruthless measure. Their goal is to cold-bloodedly kill Thailand's agricultural trade. Very little Thai rice or corn and very few Thai textiles will appear on world markets. But the goal of the United States is to kill. They are exporting rice to seize our markets. They are giving money to Thailand's customers so that they can buy cheap American rice. And they are letting them pay for the rice over a period of 10 to 15 years. They are also implementing other measures.

Part of their plan is to get involved in South Africa. As for this region, they will let Japan occupy the area instead. If this is how they are going to play, we will have to make some changes in order to deal with the situation. If we have no other recourse, we may have to sell marijuana, opium and heroin. The United States likes to betray its friends like this. That's why Libya criticizes the United States all the time.

Columnist Belittles U.S. Over Intellectual Rights

Bangkok THAI RAT in Thai 13 Feb 86 p 5

[Slap in the Face column by Plieu Singoen: "The Wolf and the Lamb"]

[Text] The Thanaban Publishing House sent me a pocket book written by Harold Robbins and translated into Thai by Suwit Khaoplot. The title of the book was "The End of the Rainbow." This type of book is very popular here. It's difficult to find these books. I noticed the book on the table. Books translated by Suwit Khaoplot sell very quickly.

Who is Harold Robbins? He is an American writer. His books have been translated into Thai and sold here in violation of the copyright law. This is an insignificant matter. I don't think that it is right to say that this is theft of intellectual property.

The book market here has printed only 3,000-5,000 translations, and it can't sell them abroad. If Westerners are so greedy that they have to charge

millions in copyright fees, I don't see any hope. Because relatively little money is made here selling books.

I have raised this issue because I am offended by the actions of a Thai named Prok Amranan, the deputy minister of commerce during the administration of Gen Kriangsak Chamanan and the former Thai ambassador to the United States. He is the one who established the Thai-American Trade Council. In the next couple of days, he will hold a seminar on the issue of Thai copying American products. He feels that this is improper and that the disadvantages outweigh the advantages. He claims that the United States has used this as an excuse to implement various measures, including the Farm Bill and the Jenkins Bill, to put pressure on Thai goods. This is in retaliation for the fact that Thai merchants have copied their goods, as have merchants in Taiwan, Hong Kong, Singapore and South Korea.

I respected the wrong person. Mr Prok is a Thai. He should be trying to help maintain our trade and protect Thai merchants. Just because he has established a Thai-American trade council, he shouldn't regard himself as an American and try to protect the interests of the United States.

Why are Americans claiming that Thai merchants are copying their goods and then competing against them? At most, this is true only for Western tape recordings. As for handbags, undershirts, watches and other such items, are any of these American goods? Most are French. And so why are they complaining so much? Even if Thais are imitating American goods, the percentage is very small. If we were making copies of computers, F-16 aircraft and large machinery like Taiwan, South Korea and Hong Kong, then they would have an argument. But Western tape recordings, that is of little consequence. They are trying to turn this into a major issue. They want Thais to pay 300-400 baht for a tape recording. Do you want that? The songs are already very old. So are the ideas expressed in the songs. I hate those Thais who try to protect the interests of Westerners and Japanese. Some have even tried to have the police arrest Thai merchants in the hope of earning a few baht.

If a country is to grow, it must know how to imitate. This is how the world develops and grows. Is there any country that has never imitated anything? Thailand could claim that the United States copied our "firecracker rockets" to make rockets. What does the man who founded the Thai-American Trade Council and whose only aim seems to be to eliminate Thais think about this?

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CSO: 4207/193

THAILAND

BOONCHU DISCUSSES SAP FAILURES, OWN POLITICAL FUTURE

Bangkok LAK THAI in Thai 5 Feb 86 pp 64, 65

[Special interview with Mr Boonchu Rochanastien, former deputy leader of the Social Action Party (SAP)]

[Text] Mr Boonchu managed to take time from his busy schedule to have a special interview with LAK THAI at his office in the Vanich Building on Petchburi Road. Due to technical problems with the tape recording, the interview had to be repeated and with much less time allowed because of Mr Boonchu's limited time. Therefore, there are some important elements missing. However, this interview provided enough information to know about his future in politics and his return to the Social Action Party.

[Question] As a SAP founding father, do you intend to go back and help manage and improve the party now that it is in bad shape?

[Answer] I don't know how I would return to the party at this moment. I have to see how I would go back to solve the problems for the party and whether there is a way for me to go back. I am going to wait and see.

[Question] Some SAP MPs have signed a petition asking you to come back.

[Answer] Simply asking me back does not give me the opportunity to do anything. What I am to do must first be agreed upon and strategies to solve problems have to be discussed to see whether we agree or not. There is real worry that we might not get elected if we cannot redeem the party's reputation. We have to discuss the strategies for redeeming our reputation. If we do not talk or discuss things and come to an understanding, my return would amount to nothing.

Lately, however, I think people in the party are not thinking about how to improve the party, but are more concerned about acquiring positions or competing for appointments.

[Question] Do you think there is a chance for you to return to manage the party when the party arranges for the Annual General Meeting this June with a newly-selected Administrative Committee?

[Answer] I don't know what the meeting will entail or what will be discussed. If it is a members meeting, I may have a chance to attend the meeting if I don't change my mind first. To be on the Administrative Committee of the party, one must be selected from the Administrative Members. The June meeting will probably be merely the selection of Administrative Members.

[Question] You went to see M.R. Kukrit Pramote just after he resigned from the party leadership. It was said that you proposed ideas to him on how to solve the problems in the party. Can you explain?

[Answer] I went to see Professor Kukrit about other matters, but people thought I went with proposals. It is true that we discussed reasons for the diminished popularity of the party. The popularity of the SAP decreased because we cannot solve the people's problems as they expected. Normally, they think that the SAP can solve their subsistence problems.

Because we joined the government administration without discussing how we will work to solve problems, each individual works on his own, the result is bad and affects the whole party.

[Question] If this is so, how can it be solved and the role of the party be changed to regain its popularity?

[Answer] Do not do anything to make people more disappointed. For example, in solving the problem of farmers not being able to sell their paddy at the price we set, if we try to solve that now and things do not improve, the situation will be worse.

In the beginning, a minister from the Social Action Party announced that one thing would be done, but when the minister was changed and the new one also came from the SAP, he abolished what the former minister did although they were from the same party. Nobody really know what was going on. It became a case of different ways to solve the problem. At first, it was announced that the price of rice will be guaranteed, but now, it has been changed so that it is not to be guaranteed. Changing back and forth will result in disaster because we promised the people that we would manage to guarantee it for them.

We used to affirm this as a basic, important SAP policy. People expect that we would be successful. If we don't think the guaranteed price is an important policy of the party, and we let the market situation determine the price, which is tantamount to letting fate take its course -- what we are doing now -- the Social Action Party will fall apart even more.

[Question] Does this mean that the free market does not work?

[Answer] Correct.

[Question] What do you think is a better way to solve this rice price problem?

[Answer] Certainly, I have a way and it definitely will help the farmers, but I feel that I should not discuss it now because I will get more understanding from the people when I present it in a political campaign.

[Question] I would like to have your comments on the newly-selected SAP members of the Cabinet on whether they can solve the present economic problems.

[Answer] Reshuffling the Cabinet this way is only a changing of individuals, but I don't think they can ever clearly agree on policies to solve the problems of the country. If the strategies are not clear, how can they lead to success? We cannot hope that this reshuffle will result in anything better because they haven't said a word about how changes made now would solve problems.

It is simply changing individuals without even talking about what actions should be taken to improve results.

I really don't know who reshuffled this Cabinet. Either the SAP itself or Mr Prem (Tinsulanonda) did it, I don't know.

[Question] What do you think about the present political situation?

[Answer] It is a situation in which people think that no light will be shed on how their problems might be solved. It is a situation with which they must put up until this government finishes its term. People really have to put up with it.

[Question] Is it true that the reason M.R. Kukrit announced his cessation of support for the government was to warn General Prem's government to improve itself?

[Answer] Yes, because Professor Kukrit could no longer support this government; the longer he supported it, the more blame he got as if every bad situation the government created was due to him, therefore, he could no longer put up with it and had to let go.

He advised and warned about many things, but they did not seem to learn from him. So, he thought that it was useless to be patient and let people blame him.

[Question] Lately, M.R. Kukrit made speeches in which he severely criticized General Prem. Do you think this method will make General Prem more aware and improve himself?

[Answer] I don't even know if General Prem has heard about Professor Kukrit's criticisms.

[Question] Why don't you think so?

[Answer] This is the other thing that I don't know either, whether General Prem has heard what the people have said. If he really listens to them, I think that he might be ashamed. But, in general, people only listen to distorted or false things. Mr Prem must have been mistaken for a long time.

Therefore, I think that the strong criticisms by Professor Kukrit might not have been heard by Mr Prem.

[Question] How do you plan to engage in politics yourself?

[Answer] I do not plan to play politics because I have always been in politics. That means that I am always ready to be a representative. But I have to choose the best time when it would be most beneficial to become one. To be a representative, one has to be successful in doing things for people. If I am a representative, people will expect me to succeed in solving their problems.

If I can only raise my hand, I will not be a representative, thus, I have to see if there is a chance that I can do something successfully. If there is, I will jump at it.

[Question] In the 1987 General Election, do you think that you will have that opportunity?

[Answer] Maybe. I am ready all the time.

[Question] There are reports that you will join Mr Uthai Pimchaichon, Speaker of the House of Representatives and leader of the Progressive Party. Are they true?

[Answer] No, that is not true. We have never talked about it at all, but we might talk about it in the future.

I am from Chonburi Province like Mr Uthai. We know each other well. I think that there are chances that we could do things together, but to join together in the same party is not easy, there are many things which must be discussed. But, we have never spoken of this in the past.

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MILITARY AFFAIRS AND PUBLIC SECURITY

CRACKDOWN ON ILLEGAL TRADING IN HA SON BINH REPORTED

BK240424 Hanoi Domestic Service in Vietnamese 2300 GMT 22 Mar 86

[Text] A number of bad elements living near the Thuong Tin and Do Xa Stations on railroad line no. 1, Thuong Tin District, Ha Son Binh Province in recent years have banded together to carry out illegal trading and steal state property. Moreover, some illegal private trading stalls in the area have cooperated with these bad elements in storing and selling illegal goods. Recently, they fought with and created trouble for passengers travelling to Ha Dong.

Maintaining social order and safety, and protecting the socialist and people's properties, the Thuong Tin District Public Security Force has recently launched a crackdown in this area. The force has confiscated more than 3,000 liters of gasoline and hundreds of thousands of Dong worth of goods. All illegal trading stalls were dismantled. The Thuong Tin Public Security force has also motivated the people to oppose gambling and liquor drinking, while helping them to engage in small trade and production.

Thanks to these measures, there has been improvement in the area around the Thuong Tin and Do Xa Stations. Accidents along this train track decreased considerably, from 41 cases in 1984 to 18 cases in 1985. In the first quarter of this year, there have been only four accidents.

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CSO: 4209/403

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

ILLEGAL TRADE, SMUGGLING--During the week from 11 to 17 March, the Market Management Committee of Ho Chi Minh City uncovered 245 cases of illegal business transactions, counterfeiting, and smuggling, of which 126 cases were prosecuted. It also uncovered and prosecuted 449 cases of violations of price discipline, collecting a total of 42,450 dong in fines. Generally speaking, last week the market management committees of some localities were still lax in their work and failed to bring all violations to light. As commodity prices shot up while purchasing prices remained unsatisfactory, the instances of price discipline violations increased by nearly 100 percent over the previous week. The city's market management committee has worked out concrete measures aimed at **gaining control** of goods and detecting and foiling all illegal business transactions, thereby quickly restoring market order and stabilizing market prices. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 24 Mar 86 BK] /9738

ENGINEERING CORPS ANNIVERSARY--To mark the 40th anniversary of the Engineering Corps, on 23 March the Engineering Command held a get-together of cadres and combatants who have retired or transferred to other arms and services, hero combatants, and representatives of the families of the corps' war invalids and fallen soldiers. On behalf of the Engineering Corps and its party committee, Major General Tran Ba Dang, the corps commanding officer, read a report on the development and growth of the corps over the past 40 years and on the orientation of its building for the coming years. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 24 Mar 86 BK] /9738

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CSO: 4209/403

PARTY ACTIVITIES AND GOVERNMENT

NGHE TINH DISCUSSES IMPLEMENTATION PARTY RESOLUTION

BK251128 Hanoi Domestic Service in Vietnamese 1430 GMT 24 Mar 86

[Text] The Nghe Tinh provincial party committee recently held a provincial conference of key cadres to decide on urgent ways to implement the resolution of the party Central Committee's eighth plenum and other directives of the party Central Committee secretariat on criticism and self-criticism tasks and on preparing for party congresses at all levels.

The conference scrupulously criticized errors and shortcomings in directing and guiding the implementation of the resolution of the party Central Committee's eighth plenum. Due to a failure to profoundly and fully understand the essence of Resolution 8 [the resolution of the party Central Committee's eighth plenum] and grasp firmly the guidelines for implementing Resolution 8, there has been impatience, haste, simplism, and subjectivism in devising, deciding on, and directing the implementation of various specific plans. The province's current major shortcoming is that efforts to reorganize production, distribution, and circulation are still sluggish, resulting in great imbalances between revenue and expenses and between production and consumption and in overspending.

The conference concentrated on discussing and setting forth many specific measures aimed at boosting agro-industrial production, securing the sources of money and goods, maintaining market control, resolving the imbalances in budgetary and monetary funds and expenses, creating employment, and gradually stabilizing the lives of cadres, workers, civil servants, and the working people.

In the period ahead, Nghe Tinh will concentrate on taking good care of 230,000 hectares of winter-spring rice against drought and insect infestation in order to obtain high output and yields. It will make early material preparation to expand crop areas and for the intensive cultivation of rice, subsidiary food crops, and industrial crops in the coming summer-fall sowing season, trying to bring its annual grain yield volume to 850,000 metric tons and its annual grain procurement volume to 190,000 metric tons and to maintain its potential self-sufficiency in grain.

The province will quickly reorganize industrial, small industry, and handicraft production at the grass-roots level at each sector, renovate industries, and apply technical innovations in order to reduce production and transportation cost by 10-15 percent, quickly increase the production volume of goods, and turn out more new goods.

Production and business units will continue to reduce their direct-hired personnel by 10-20 percent for transferring them to production and support services.

In circulation and distribution work, the trade sector will broaden its organized market and expand its retail network down to public organs, enterprises, and residential blocs while carrying out transformation among small traders, trying to transfer 50 percent of private traders to take up production jobs or to work as agents for the socialist trade sector, to launch crackdowns on speculators and smugglers, and to impose forced labor on these people.

The banking sector will have to renovate its working procedures, trying to create conditions for its customers to expand their production and business activities and make faster delivery of their marketable goods to the people. It is necessary to give priority to making capital investment in animal husbandry, especially in hog raising in order to maintain a hog population of 830,000 or more.

The conference also discussed thoroughly many steps to be taken to carry out criticism and self-criticism in the entire party organization. This is to ensure good preparation for the provincial party organization congress, for the party congresses at all levels, and for the Sixth National Party Congress.

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PARTY ACTIVITIES AND GOVERNMENT

HO CHI MINH CITY PARTY MEETING ON RESOLUTIONS

BK241223 Hanoi Domestic Service in Vietnamese 2300 GMT 22 Mar 86

[Text] The Ho Chi Minh City party organization executive committee recently held a plenary session to seek to understand the guiding viewpoints of the Political Bureau on urgent measures to be taken to implement correctly the resolution of the party Central Committee's eighth plenum.

In addition to a number of measures recently adopted to contribute to guaranteeing the real wage for cadres, workers, and civil servants, the city has specified that its central and most fundamental task is seeking every means possible to develop production and generate an abundant source of goods, thus contributing to helping the country resolve satisfactorily all existing difficulties in circulation, money, prices, and welfare.

On the basis of concentrating capital, materials, and manpower on helping various production and business sectors and units attain their highest economic efficiency, the directors of various services, supply corporations, and Saigon port, and various precinct and district chairmen must conduct inventories of raw materials still in stock in order to ensure regular supply to localities which need them in the early part of this second quarter.

It is necessary to reorganize the force of gathering discarded materials in the entire city in accordance with appropriate organizations and to adopt a satisfactory policy aimed at exploiting a large part of the main sources of discarded materials for recycling in order to meet requirements for small industry and handicraft production. It is necessary to continue to resolve those specific problems on developing small industry and handicraft production and on promoting increased family-run handicraft activities and family-sideline professions while introducing promotional and incentive policies for collectively-run production establishments. From now until the end of April, we will have to complete preparing necessary conditions for a program to provide labor service for making clothes, hats, and shoes, and for other programs in cooperation with the Soviet Union and other socialist countries. We must divide the responsibilities of and help precincts and districts develop their various industries such as providing repair services, manufacturing spare parts, and providing maintenance services for machines used in support of agriculture and in processing

agricultural, forestry, and fishery products. We must go ahead with setting up and putting into operation the North-South Coastal Shipping Enterprise and must muster sufficient vessels to quickly ship materials and goods belonging to the central government to various cities.

The conference held that pricing is a topical issue at present. It is necessary to strictly maintain price-related discipline and to quickly adopt flexible regulations in order to prevent production and circulation from becoming stagnant. The city will continue to guide its establishments to adopt necessary measures to reduce production costs among all industrial and agricultural production sectors, among state-run units as well as among joint state-private and collectively-run corporations, regarding this as the most important task aimed at keeping prices from fluctuating and at proceeding toward stabilized prices.

In dividing responsibilities for price setting and exercising price control in accordance with set principles, the city people's committee must guide the setting of local standard prices for a number of important and essential goods such as rice, meat, fish, fish sauce, salt, sugar, fabric, and for those goods for which the general standard prices have been set by the central government. As for other important goods, the pricing committee and the people's committees of various precincts and districts must decide on specific prices. Regarding those goods which are not important or which are circulated within certain precincts or districts, the trading sectors and the precinct or district people's committees concerned must decide on their prices.

The city people's committee and the city planning committee must provide close guidance for their pricing organs and their production and business establishments, creating favorable conditions for ensuring the [words indistinct] settlement while achieving close cooperation between authoritative organs and mass organizations in organizing regular inspections and control of price-related discipline.

Beijing authorized by the central government to be one of the experimental localities in promoting the right of establishments to take the initiative in production and business. The city has gradually mechanized various progressive models such as the Thanh Cong weaving plant, a grain trading corporation, and the 2 September Pharmaceutical Enterprise.

In addition, on the basis of rounding off the survey of various experimental sites, within this month the city people's committee will introduce temporary regulations, guaranteeing the right of establishments to take the initiative in production and business, and will motivate all enterprises to apply the new management mechanism.

Precincts, district, and establishments concerned must be responsible for helping various enterprises, especially their subordinate units, to exercise their right to take the initiative in production.

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PARTY ACTIVITIES AND GOVERNMENT

TRUONG CHINH LETTER TO VPA ENGINEER CORPS

BK260506 Hanoi Domestic Service in Vietnamese 2300 GMT 24 Mar 86

[Letter from Truong Chinh, chairman of the SRV Council of State, to VPA Engineer Corps--date not given]

[Text] On the occasion of the 40th anniversary of the Engineer Corps, on behalf of the party Central Committee, the Council of State, and the Council of Ministers, I affectionately extend my warmest greetings to all cadres, combatants, workers, and employees of the corps and my solicitous regards to the comrade war invalids and sick soldiers, the comrades who have retired, and the families of the corps' fallen soldiers.

Over the past 40 years, holding up the traditional banner of victorious trailblazers awarded by Uncle Ho, the engineer forces have always been loyal to the party's revolutionary cause; have fought valiantly; have worked selflessly, resiliently, and creatively; have surmounted difficulties; have scored many outstanding achievements in the wars of resistance against the French colonialists, U.S. imperialists, and Chinese expansionist-hegemonists; and have actively built and defended the socialist Vietnamese fatherland, thereby proving themselves worthy of being the heroic engineer corps of the heroic VPA. On behalf of the party and state, I warmly commend the great achievements of the corps.

Dear comrades, bringing into full play the fine character of the working class, the determined-to-fight-and-to-win tradition of the VPA, and the tradition of victorious trailblazers of the engineer corps, the engineer forces must always thoroughly understand the political and military lines of the party; cultivate revolutionary quality and virtue; strictly maintain discipline, solidarity, and unity; ceaselessly study and strive to master modern science and technology and develop professional expertise; enhance combat strength and combat readiness; closely unite and coordinate with friendly units; and preserve close relations with the people. You must build the engineer corps into a modern regular technical force to outstandingly fulfill all tasks in the new stage of the revolution, thereby contributing to the common efforts of the entire party, people, and armed forces in successfully building socialism, firmly defending the socialist Vietnamese fatherland, and discharging international duty.

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ECONOMIC PLANNING, TRADE, AND FINANCE

NHAN DAN EDITORIAL ON COMMODITY CIRCULATION

BK251129 Hanoi Domestic Service in Vietnamese 2300 GMT 20 Mar 86

[NHAN DAN 21 March editorial: "Broaden Commodity Circulation"]

[Text] Our country's economy still consists of several elements. Production remains scattered. Weather and soil conditions, availability of raw materials, and standards of skills differ from one locality to another so that commodity production--especially of agricultural products, foodstuffs, and industrial consumer goods--is poor in one locality and quite good in another. Some localities have excess products and foodstuffs while others are in short supply.

Organizing commodity circulation well is now a very urgent requirement and regular task in the unified management of the socialist economy country-wide. The timely circulation of finished products and commodities to consumers not only helps stabilize market prices and the people's livelihood immediately, especially for wage earners, but also creates conditions for primary production installations to implement their right to self-government, turn over their funds quickly, promote production development, and consolidate the relations of socialist production.

Implementing the various resolutions of the party and state, many localities have recently paid attention to expanding commodity circulation by applying various forms of joint ventures and economic integration and by discontinuing purchases through 2-way contracts. They have reorganized the networks of circulation, distribution, and transportation; reduced unnecessary tasks and business organizations; and eliminated checkpoints established by district and village authorities and by unauthorized agencies that have caused too much trouble.

As a result, some industrial and agricultural products that had been stockpiled in some areas and localities have begun to flow out, allowing production to return to normal and develop. In general, however, this change has not been vigorous enough. There are still difficulties in commodity circulation. In many localities, there are still too many checkpoints for the public security, taxation, and market management sectors and militia along routes of commodity circulation, especially waterways.

In a locality on a river not more than 10 km long, three checkpoints have been established by three sectors. The control at the checkpoints is very casual and does not observe state rules on the types and quantities of commodities that can be circulated. This not only violates the producers' right to mastery but also causes damage to commodities and trouble and hardship to the people.

On some routes, trucks now take nearly 1 week to reach destinations they used to be able to get to in 2 days, with resulting damage to nearly one-third of their commodities. Some local authorities have established their own policies and rules by abandoning control over all commodities coming from other localities while strictly controlling all commodities going out of their localities either to keep them or to levy very high taxes on them.

Such short-sighted practices do not stimulate the production development. They create loopholes for private traders to make profits; cause negativism among some cadres and personnel in charge of inspecting, controlling, and managing the market; and cause false tension.

In the organization of commodity circulation, there are still many inconvenient procedures in delivering and receiving goods, causing transport facilities to remain idle for long periods awaiting cargo. The organization and reclassification of labor for all tasks in the course of commodity circulation is not yet truly scientific and compact to strengthen direct labor. There is still an intermediary component characterized by its apparently larcenous nature. Consequently, many products put into circulation have reached consumers late, causing unnecessary excesses or shortages that should have not existed. Moreover, this has caused higher costs in circulation and finally higher retail prices.

For example, Hanoi recently had a bumper harvest of more kohlrabi, cauliflowers, and tomatoes than it could consume, causing sharp price decreases. Meanwhile, in Nghe Tinh and some other provinces, these commodities were three or four times more expensive and very few people could afford them. Conversely, pork, beef, and fish prices in Nghe Tinh Province are only one-third of those in Hanoi, but these commodities cannot be shipped north.

Although our country's economy is in the initial stage of the transition period, it is a planned economy to produce socialist commodities. As a result, the circulation system should also be organized to suit the production of those commodities.

Along with setting forth policies and measures to stimulate the development of production, there should be policies and measures that do not impede the circulation of commodities. As an immediate step, all checkpoints that were not set up in accord with state rules and that casually control and block the circulation of commodities must be abolished.

Efforts should be made to reorganize and develop the networks of depots and supply routes; facilities transport; and rational shipping procedures to move commodities from production to consumption areas by the shortest, quickest way and at the lowest cost.

We must resolutely eliminate unnecessary intermediary tasks and organizations; expand cooperation through joint ventures and economic integration; and formulate proper policies for the purchases, collection, and barter of commodities to move them directly from production to consumption areas and to prevent hoarding, hiding, and dispersing commodities.

The shortest way to put commodities in circulation promptly must be calculated not only for each primary installation or locality but also for the whole sector, taking balances in the sector into consideration. Sometimes, the calculation works quite well for a locality but is less-effective when applied to the entire society.

Because the market is a unified entity, there should be a program and plan for regularizing commodity circulation for the whole sector and country. Production must be linked to consumption, and plans must be associated with socialist accounting and business transactions.

Shipping is a decisive task in guaranteeing the expansion of commodity circulation. The transportation sectors at the central and local levels should rationally organize transportation units, secure enough draft force, combine mechanized with ordinary facilities, alertly handle the use of facilities, and organize well loading and unloading at depots and warehouse areas. This will help accelerate commodity shipments while reducing the circulation costs.

Broadening commodity circulation will promote production development and is an important, urgent step in stabilizing the socioeconomic situation and correctly implementing the party Central Committee's eighth plenum resolution.

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ECONOMIC PLANNING, TRADE, AND FINANCE

THAI BINH PORK MARKET SUPERVISION CRITICIZED

Hanoi LAO DONG in Vietnamese 26 Dec 85 p 3

[Article by Binh An: "Neither Under Management Nor in Complete Freedom"]

[Text] Thai Binh City is the center of circulation and distribution of Thai Binh Province and a few years ago did fairly well in market management, most noteworthy of which was completely eliminating the operations of private merchants dealing in pork products. It is fair to say that although a state subsidization mechanism was still applied during those years and there were still a few scattered private operators in the market surreptitiously selling pork, their number was not great and they truly lacked the strength to regulate market activities, especially in the price factor. From maintenance of the two primary goods of grain and food, the market situation in Thai Binh City was observed by many as more "favorable" and stable than a number of other locations in localities with similar conditions.

Nevertheless, we had an occasion to visit Thai Binh at the end of December 1985 and in a study of the city's in depth exploitation of market management experience and transformation of private commerce, a thorny and reappearing problem was that of pork. The single pork price business mechanism had been in effect for 3 months. A perceptible trend was appearing: "If the state sells at a high price and eliminates ration coupons, merchants will lose a place to work, but without management, they will have freedom in trade." Therefore, such a laxity appeared in supervision that "many of them jumped out" without repression. The Municipal Party Committee and Municipal People's Committee had never issued a document or directive permitting the private merchants to return to the pork business, meaning that a trade business license had never been approved for anyone. That meant that no butcher's tax was being collected while they continued to sell pork in their "toad" markets. If there was someone to buy it, it was sold. Meat prices were at times high and at times lower than the price of pork sold in the state stores. The entire city has five subwards and three suburban villages and each subward has a marketing cooperative and developed business, especially in the food and beverage service, but pork products in themselves lacked "sufficient courage" to rise and occupy the market. There were two reasons for this rejection; first, the needs of the city were not great and second, the "single price mechanism" was imprompt in pursuing the private merchants in the pork business art. Two main force units occupied the market--state-operated commerce and marketing cooperatives--but only one, a single horse and a solitary gun, was able to wage war and no butts about it!

To say no buts about it is no exaggeration because during the days we were in the city, there were small (T200) vehicles pouring pork into the stands each morning all at one time with no subsequent action, causing surpluses in some locations and shortages in others. The great many baskets of meat being sold by private merchants along the streets or in small markets all bore the green quality control stamp, proving that this pork was from the state retail sales stands. In no small amounts, each piece of meat with a quality stamp was generally 3 kilograms and up. Applying the norm contract mechanism, merchants wish to sell many goods. If they do a good amount of business, they can leave early, and if they exceed the expected amount, they are highly rewarded. Thus, to whom the goods go is impossible to know. It is for this very reason that during the first part of December 1985, news suddenly appeared in Thai Binh City that the "state would soon raise the price of pork." Everyone rushed eagerly to buy a few kilograms of pork as a reserve. Only a day after this news was spread, the private operators "hooked" or found other ways to arrange goods and squeeze in to buy all the pork at the stands. When the state stores were out of goods, they began to freely raise the price. The market management unit found this too much to suppress and at times noticed but ignored it. The industrial trade tax unit had no authority to collect taxes or apprehend anyone and was the wrong man for the job. Pork market management, according to Hoang Cong Anh, Chief of the Municipal Industrial Trade Bureau, is in a situation of hesitancy and indecisiveness, meaning that there is neither apprehension nor permission. According to data of the municipal tax sector, nearly 50 individuals shifted their business trade to "wave" pork, each day distributing about a half ton. It is a common occurrence for the tax collection cadres to pursue and drive them out of the market where they are pursued by the subward cadres back into the market. Each of them flings a rush bag over his shoulder, disappears like an eel, and is impossible to apprehend. During the 2 months of October and November 1984, the municipal industrial trade tax sector coordinated with the market management committee and local administrations in the areas of Ky Ba and Rang Dua markets to apprehend and submit reports on 16 pork sellers. The sellers admitted when their operations had begun and the amount of pork they butchered daily. The tax sector since the first of this year has collected an average of 5,000 dong in business taxes from each individual. The activities of private merchants in these two markets moderated but only for the first month, after which they were neglected and began to "dance" again. The pork market in the city at times is extremely tense. For example, on 11 December when an investigation was held at the Rang Dua Market, a preliminary report indicated that there were still 10 individuals selling pork, the majority being pork from state-operated trade. The adjacent state stand at that time was out of pork. Meanwhile, at Bo Market, the largest market in the city, the state stand was quite empty and dry as a bone. The female clerk said, "I was only supplied one 60-kilogram hog and it was all sold at daybreak." Since then, the private operators have been much louder in conducting their business. The hogs scarcely have their hair scraped off when the customers crowd in to buy. Naturally, the price has not risen as high as many had anticipated. No matter what, it is still not beneficial.

To sum up, in our understanding, the issue of hog management from purchasing to sale as regards the private operators in Thai Binh City is obstructed. Every sector is fed up, neither under supervision nor in complete freedom. Great

difficulty is required to collect only a few taxes. The market lacks strength. We are waiting for good signs of an intelligent and resolute method of solution following the new mechanism of Thai Binh dealing with this problem, one of these days.

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CSO: 4209/358

ECONOMIC PLANNING, TRADE, AND FINANCE

BRIEFS

HANOI LABOR REDISTRIBUTION--According to its plan, in 1986 Hanoi will send 3,200 families including 6,400 laborers to build new economic zones, double the 1985 figures. To redistribute the labor force and population in each district and village, to establish 13 new economic points, and to supply more laborers to the Lam Dong new economic zone, on 19 March Hanoi sent 322 young laborers from Dong Anh and Gia Lam Districts and Son Tay City to the Da Oai new economic zone in Lam Dong to clear the land and build initial material bases to receive in the 2d quarter of this year, 1,000 families including 5,000 people and 2,000 laborers. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 20 Mar 86 BK] /9738

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AGRICULTURE

FORTY YEARS OF VIETNAMESE AGRICULTURE REVIEWED

Hanoi KHOA HOC VA KY THUAT NONG NGHIEP in Vietnamese Oct-Nov 85, pp 436-443

[Article by Nguyen Ngoc Triu, Minister of Agriculture: "Forty Years of Vietnamese Agriculture--Principal Accomplishments and Present Missions"]

[Text] This year the people of our entire nation, the people of the fraternal socialist nations, and our friends all over the world are animatedly commemorating the 40th anniversary of the August Revolution and National Day (2 September), the day the first worker-peasant state in Southeast Asia was established. Our agricultural sector also has the great honor of commemorating the 40th anniversary of its formation. On this occasion we must review the past and correctly evaluate the great accomplishments we have achieved, so that we can enthusiastically and solidly advance in the new period of our country's revolution, with extremely important missions in the enterprise of creating an intensive, comprehensively developed agriculture and advancing to large-scale socialist production.

I

Forty years is not a long time in comparison to the 4,000 years of national development and defense by our people. But during the past 40 years, under the skilled and wise leadership of the glorious Vietnam Communist Party and of the great President Ho Chi Minh, our people have achieved the most brilliant victories than in any other period of our history.

One of the great accomplishments brought about by the August Revolution for agriculture and the rural areas in our country was the establishment of new socialist production relations and the firm establishment of the peasants' mastership right. Indeed, prior to the August Revolution the working peasants in our country, more than 60 percent of whom were poor peasants, were a class of people who were badly oppressed and exploited by the colonialists and feudalists. Although they were people who produced rice to feed all of society, because most of the land and means of production were concentrated in the hands of the landlord class and they were only hired hands, from one generation to another they had to live in hunger and poverty. President Ho Chi Minh correctly evaluated the peasant problem in a half-colonial, half-feudal country from the very beginning. He wrote, "Marxism-Leninism has helped our Party clearly realize that under the conditions of a backward

agricultural country, such as ours, the national question is in fact a peasant question, and the national revolution is in fact a revolution of peasants led by the working class." (Footnote 1) ("Selected Works of Ho Chi Minh," Su That Publishers, Hanoi 1960) In addition to the victories of the revolution, the Vietnamese peasants changed from being slaves to becoming the masters of the nation and of their own destiny. The party of the working class and the people's democratic state regard the peasant class as the main-force army of the revolution and a component part of the worker-peasant alliance, and at an early date set forth important policies to continually strengthen their mastership right. On 1 July 1949, at a time when the resistance war against the French colonialists was in a fierce phase, our state promulgated a decree temporarily distributing the land of the colonialists and Vietnamese traitors to poor peasants. As a result, by 1950 more than 280,000 hectares of land had been distributed to the peasants. The decree on reducing land rents and interest rates gradually eliminated the severe land rent and interest rate system that had pressed heavily on the shoulders of the poor peasants. Fully understanding the long-standing desire of the peasants to the the masters of the land and the full implementation of the "Land to the Tillers" program, at the end of 1953 the National Assembly approved a Land Reform Law. The land revolution, which was carried out victoriously in the 22 northern provinces at that time, changed the lives of the peasants. More than 810,000 hectares of land, 74,000 water buffaloes and cattle, and about 2 million agricultural implements of all kinds were distributed to 2 million peasant households with little or no land, which further strengthened their mastership. Those policies of the Party caused the peasants to increase their belief in and move closer to the revolution, to participate more enthusiastically in the resistance war and in competition to increase production, and to contribute manpower and materiel to serve the front, and accelerated the resistance war against the French colonialists to final victory with the resounding Dien Bien Phu victory in May 1954.

Not stopping there, in 1959 our Party adopted the policy of collectivizing agriculture, organizing the peasants on the path of collective livelihood, and establishing the new production relations in the countryside. During that period, tens of thousands of cooperatives on different scales and at different levels were set up and won the participation of nearly all peasant households. Land and the principal means of production were collectivized. Our Party advanced the peasants from a position of individual ownership of their land to collective mastership in society. That right of collective political and economic-social mastership, along with the establishment and increasing consolidation of the socialist production relations, enabled the people of the North to have sufficient spiritual and material strength to defeat the cruellest war of destruction waged by the U.S. imperialists, to build the North into a strong great rear area, and to mobilize a large amount of manpower and materiel for the great undertaking of liberating the south, the high point of which was the historic Ho Chi Minh Campaign, which led to the complete unification of the nation in the spring of 1975.

In the South, even during the period of the anti-French resistance war the revolutionary administration temporarily distributed about 820,000 hectares of land to poor peasants. Since the liberation our Party has implemented the policy of adjusting land among the peasants, eliminating exploitation and

carried out the cooperativization of agriculture, primarily in the form of setting up production collectives. Peasants in the South, who had a tradition of ardent nationalism, in two protracted resistance wars against France and the United States, now rapidly and enthusiastically responded to the Party's policy. Therefore, as of April 1985 the Nam Bo provinces had set up 33,000 production collectives and more than 540 agricultural cooperatives which include 75 percent of the peasant households and 70 percent of the cultivated land. The provinces in Central Vietnam and the Central Highlands completed cooperativization rather early. By the end of 1984 91.6 percent of the peasant households in the central provinces and 71.2 percent of the peasant households have entered onto the path of collective livelihood. "With the results that have been attained, we have an adequate actual basis on which to believe that with correct policies and working methods, and with determined leadership the Nam Bo provinces are certain to have a basis on which to complete the cooperativization of agriculture, primarily in the form of production collectives in 1985," as stated in Communiqué No 44 of the Secretariat of the Party Central Committee.

Along with collectivized agriculture, our Party has adopted the policy of building up the state farm sector and regard it as the leading component of socialist agriculture. At present a system of more than 410 state farms is distributed broadly in many regions of the nation and in areas with strategic economic, social, and national defense importance. The state farms take the lead in clearing wasteland to create new economic zones and there have begun to take form large specialized production areas which produce a number of perennial industrial crops, a number of raw materials for processing industry sectors, and valuable special export products. Although they account for only 3 percent of the cultivated area and 6 percent of the total value of agricultural output (1983), the state farms contribute nearly 20 percent of the value of the nation's agricultural exports. With regard to some products they account for a high percentage of exports, such as rubber (nearly 100 percent), coffee and tea (nearly 80 percent), pepper (about 60 percent), etc. Thanks to the determination of correct production directions, the improvement of management, and the changeover to commercial accounting, in recent years most of the state farms, which had continually operated at a loss, have begun to operate at an increasingly higher level of profitability. It is certain that with rich and varied soil and tropical climate conditions, and with experience that has been accumulated in the course of 25 years of construction and development, the state farm sector will play a more worthy role in producing special export products, supply raw materials for industry, and play the role of a scientific-technical center and the role of guiding our country's agriculture.

In the initial phase of the period of transition to socialism, the family economy of our nation's peasants received the all-out attention of our Party and state, which created conditions for it to develop along with the state and collective agricultural sectors. In fact, life has demonstrated that the family economy accounts for about 40 to 50 percent of the total income of the peasant households, and is producing a considerable amount of grain and food products necessary to fulfill the needs of daily life. For that reason our Party and state have issued many directives and resolutions to stimulate the development of the family economy, and regard the family economy as a

component part of the economy in general. Clearly, the state agricultural sector, the cooperative sector, and the production collectives, along with the family economy of the peasant households and the other strata of people, form a single entity and have advanced our country's agriculture along the path of all-round development and contributed to the attainment of economic development goals.

A great victory with the significance of profound revolutionary significance in agriculture during the past 40 years is an intensive-cultivation, specialized cultivation, comprehensively developed agriculture with an increasingly higher technical level which is taking form and is advancing step by step to large-scale socialist production.

Our country has little land and a large population. The per-capita average is only about 1,000 square meters, among the lowest in the world. Prior to the August Revolution our country's agricultural production was monocultural in nature, with low yields and no commodity production. During the period of the anti-French resistance war and a number of years thereafter and in the course of movements to encourage production and improve techniques, although agricultural production supplied a considerable quantity of foodstuffs to serve the front and bolster the strength of the people, it essentially was still small-scale production of a self-sufficiency nature. Only since the completion of cooperativization in the North, and especially since Resolution 19 of the Party Central Committee (third term), has our country's agriculture gradually shifted over to intensive cultivation, increasing the number of crops per year, expanding the area, and achieving all-round, balanced development. The missions of agriculture have been defined more clearly and it has specific requirements: resolving society's food problem and supplying raw materials for industry and agricultural products for export. In agricultural production, the production of food is always regarded on the central mission, one of strategic importance which we must concentrate on fulfilling. We have achieved many things along those lines and have achieved encouraging results.

With regard to grain production, we have effectively carried out a revolution in the crop structure, rationally reorganized the growing seasons, increased investment in the material-technical bases, and introduced many effective technical advances into production. With regard to the production of rice--the number-one grain crop in our country, the greatest accomplishments of the past 40 years have been the introduction of many new high-yield varieties which are resistant to insects and diseases and to some unfavorable weather conditions in the different ecological areas; making spring rice, with high and stable yields, a principal crop in the northern provinces in place of fifth-month rice which, although it has a history 2,000 years long has low, unstable yields; expanding the winter-spring and summer-fall production areas in the southern and central coastal provinces; beginning to introduce the intensive cultivation varieties into the 10th month season, etc. Due to the application of all intensive cultivation measures and the implementation of the mechanism of contracting final output to individuals and groups, we have attained rather high rice yields and total output. In general, during the 1980-1983 period the average annual rate of yield increase was 7.3 percent and the rate of output increase was 7.7 percent. In 1984, the total national

grain output was 17,868,000 tons, the greatest ever. The average rice yield was 27.5 quintals per hectare, equal to the yields of the rice-growing countries in Southeast Asia. High yields have become a wide-spread phenomenon on a large scale in many different ecological areas. If in 1966 Thai Binh was the first province in our country to attain five tons of paddy per hectare on an annual basis, by 1984 nine provinces had attained yields of from 6 to 7.9 tons. That demonstrates that there is still very great potential for increasing rice yields.

Good progress has also been made in the production of subsidiary food crops. Due to the rearrangement of the rice-growing seasons we have conditions for adding a winter crop on hundreds of thousands of hectares a year, with a rather rich crop structure. In some years output has amounted to 300,000 to 500,000 tons and has made a considerable contribution to providing grain for people, feed for livestock, and additional agricultural products for export.

The area planted in annual and perennial industrial crops had increased notably and is developing along the lines of both expanding the area and practicing intensive cultivation, and of forming large specialized areas in order to have many additional products to provide raw materials for industry and to export.

Animal husbandry has begun to develop notably. Livestock and poultry have increased in numbers and improved in quality. Therefore, although it has not yet met the requirement of a major production sector, during the recent anti-French and anti-U.S. resistance wars the animal husbandry sector provided a considerable quantity of food products for the armed forces and to meet the needs of the people's lives. The number of water buffaloes and cattle has increased rapidly and the number of hogs has increased considerably, especially commercial cross-bred hogs. We thereby have additional sources of draft power and an important source of organic fertilizer for intensive cultivation in order to increase crop yields. In addition to the traditional livestock we have developed many additional modern animal husbandry sectors, such as poultry, hogs, and rabbits raised by industrial methods, the raising of milk cattle, etc. an animal feed sector has appeared with all kinds of high-quality concentrated feed and supplementary feed which are fulfilling more and more of the requirements of the mode of industrial-style veterinary medicine and the prevention and fighting of diseases have made good progress and have eliminated or limited a number of diseases which do much economic damage, and have contributed positively to protecting our country's livestock and poultry.

The victories in agricultural production, especially in the production of grain, during the past 40 years have been truly great. In comparing the results attained in 1976--the first year after the nation was liberated--and 1984, in which the highest total grain output was attained--with 1939, a year in which agriculture was relatively well developed, prior to the beginning of World War II--we can see that victory even more clearly:

Norm(*)	1939	1976	1984
Grain area (1,000 hectares)	2,068.7	6,206.4	6,799.6
Grain Output (1,000 tons)	2,713.0	13,510.0	17,867.0
Rice Area (1,000 hectares)	1,840.5	4,645.1	5,670.7
Rice Output (1,000 hectares)	2,407.0	11,806.0	15,613.0
Rice Yield (quintals/hectare)	13.04	22.33	27.5
Grain Average (kgs/person)	227.7	277	310
Water buffaloes (1,000)	788.0	2,243.9	2,545.0
Cattle (1,000)	563.0	1,582.4	2,417.0
Hogs (1,000)	2,255.0	9,223.7	11,761.0

*Data from TAP CHI TUYEN HUAN of the Propaganda-Training Department

Thanks to the victory in grain production, in the past we had to import about 2 million tons of grain every year, by the beginning of the 1980's we were able to meet the food needs of society, although at a minimum level. We no longer have to import grain, or only import very small amount when unexpected difficulties arise. The victories on the agricultural production front in general and in grain production specifically are opening the way for our country's economy to undergo new, stronger, more solid, and more comprehensive development in the future.

Another important accomplishment of the past 40 years is that our Party and state have continually increased investment in equipping the material-technical bases of agriculture in order to create conditions for agriculture to develop at a high rate.

We understand clearly that in order to advance to large-scale socialist production it is essential that we carry out the mechanization of agriculture. However, due to the special conditions of our country we must carry out mechanization step by step, in a manner appropriate to each area, do a good job of combining mechanized facilities with manual and semi-mechanized facilities, and ensure economic effectiveness. In the course of the past 40 years we have advanced from such simple forms as campaigning for the improvement of agricultural implements to providing modern technical facilities for agriculture. The numbers, types, and quality of tractors, agricultural machinery, and the other mechanical facilities have risen every year. In 1983 there were being used in our country's agriculture about 35,000 large and small tractors, 188,000 gasoline engines, 58,000 diesel engines, 11,000 electric motors, 280,000 work machines, 2,660 trucks, thousand of electricity-powered pumping stations, and tens of millions of implements. The total capacity agricultural machinery has increased to nearly 3.5 million horsepower. The mechanized forces have contributed notably to intensive cultivation and increasing the number of growing seasons, clearing wasteland and expanding the cultivated area, and furthering the increasing agricultural labor productivity and the redistribution of labor nationwide, have participated in transforming and consolidating the new production relations in the rural areas, contributed to strengthening the worker-peasant alliance, etc. However, the potential for developing agriculture is still very rich and varied. Agricultural mechanization can and must contribute positively to developing that potential, to using labor and land as rationally and

effectively as possible, and to furthering the process of advancing to large-scale socialist production.

Water conservancy is a foremost measure of intensive cultivation production. there are no nations which cannot carry out agricultural production. Therefore, from the very beginning our party and state have advocated that water conservancy must keep a step ahead. In past years we constructed and brought into use 4,141 water conservancy projects, 247 of which were on a large scale, to serve irrigation and drainage on millions of hectares of crop land. Our entire Party and population have continually been concerned with embanking and strengthening dikes to hold back flood water, fighting floods, and protecting production. That is not to mention the systems of canals and ditches in the fields, the system of area and field dikes, the network of rural roads, etc., built by the production bases or by the mode of "the state and the people working together."

Great results have been attained in supplying technical materials for agricultural production, which has had a clear effect. Thanks to the all-out efforts of the state, between 1960 and 1985 alone the agricultural sector received and brought into production nearly 18 million tons of chemical fertilizer of all kinds (including 10,803,000 tons of standard nitrogenous fertilizer, 6 million tons of phosphate fertilizer, and 641,000 tons of potash fertilizer), 238,000 tons of insecticides, and 1.5 million chemical sprayers to protect crops. Thanks to the prompt supplying of those important materials, combined with the other technical cultivation measures, agricultural production has conditions for entering into intensive cultivation and attaining high yields on a nationwide basis.

A major victory of our country's agriculture was the construction within a brief period of time of a strong system of scientific-technical research and the training of a large corps of scientific-technical-economic cadres. After the August Revolution we inherited from the old regime a number of very poor research installations and a very small number of agricultural technical cadres. Therefore, even during the resistance war years, and especially after the restoration of peace, our Party and state were continually concerned with research and the training of cadres for agriculture. By means of our own all-out efforts, and with the heartfelt assistance of the Soviet Union, the fraternal socialist countries, and friendly nations all over the world, we now have a system of research organs consisting of dozens of basic and specialized research institutes, research centers, and experimental stations and farms which are distributed widely in the different ecological areas all over the nation, from the lowlands to the mountains, which always adhere closely to research projects to serve production. A training system consisting of colleges, agricultural, technical workers middle schools at the central and local levels have trained hundreds of cadres at PhD and MA levels, hundreds of thousands of cadres with middle school levels, and technical works in all sectors and trades, who are now effectively operating in all spheres of the agricultural sector, from the central level down to the basic level. Those research installations, which have modern equipment and large cadre forces, are increasingly adhering to the requirements of production and are capable of resolving the scientific-technical problems of actual life.

Like the common tendency in many nations of the world, science in our country is becoming a force in direct production. The introduction of scientific accomplishments and technical advances into production is now an urgent requirement of producers. For many years now we have paid adequate attention to that matter, and beginning in 1984 a plan to introduce technical advances into production was officially incorporated into the state plan and truly became a component of national economic planning. The application of many results of scientific research and technical advances into the production spheres has had a good effect. Especially outstanding are the accomplishments of the biological revolution. The new high-yield varieties, which are resistant to insects and diseases and have been adapted to the climatic and ecological conditions of each area have truly created great leaps forward with regard to rice yields and output in recent years. Livestock breeds are well selected and bred, and the biological products used in animal feed, in veterinary medicine, and in plant protection have truly had an effect in production. Another important matter that must be stressed is that by means of the campaign to introduce science and technology into production the level of cultivation in the fields has been quickly raised and the scientific-technical knowledge of the peasants and especially the youths, in rural areas, has clearly advanced.

The accomplishments of agricultural production, especially since the beginning of the 1980's, have been tied in with improvements and changes in the management mode and the application of economic levers to stimulate production. Directive No 100 of the Secretariat of the Party Central committee on the contracting of final output to groups and individual workers in agriculture has truly created a strong motive force which has opened the way for production to advance and has given rise to an atmosphere of enthusiastic labor in the countryside. Many resolutions, directives, and policies of the Party and state have been promulgated during the past several years to change the management mechanism, promote production, ensure harmony among the material interests of the state, the collective, and the workers, etc., and have been enthusiastically received by the agricultural bases and rapidly applied to production. Many forms of joint operations and alliances among the production bases, among the state, collective, and family economies, between the central and local levels, etc., are playing a positive role and bringing about real economic results. Such technical service forms as contracts to insure crops, protect livestock, etc., are developing extensively and have good prospects. All of those things are intended to create conditions for resolving longstanding problems, restrictions, and compulsions in production advancing to the elimination of bureaucratic centralism and state subsidies, and changing over completely to socialist commercial accounting in the spirit of the resolution of the Eighth Plenum of the Party Central committee.

Evaluating the great victories of the Vietnamese revolution, General Secretary Le Duan said that "The socialist mastership right of the working people with regard to politics has been established nationwide. The exploiting classes have essentially been eliminated, most of the peasants and the other laboring people have been brought onto the path of collective livelihood, and the socialist production relations are continuing to be instituted and consolidated. The wounds of war have been healed and the economy has been

revived. In recent years agricultural and industrial production has made clear progress, especially grain production. The economic structure is being rearranged, the management mechanism is being renovated, and science and technology are becoming increasingly tied in with the economy, production. (Footnote 2) (Speech given at the 10th anniversary commemoration of the Resistance Against America for National Salvation, 30 April 1985)

Only against the historical background of the past 40 years (30 of which were lost in continual warfare against the French colonialists and then the U.S. imperialists, and we are now coping with the multifaceted war of destruction waged by the international reactionaries and with small-scale, backward production and practically nonexistent material-technical bases, etc.) can one see that the accomplishments on the agricultural front have been truly great and significant; only then can one clearly affirm that our Party's line toward agricultural development is correct and creative; and only then can one see clearly that our people are rich in patriotism and love of socialism and that our cadres are intelligent and have a sense of responsibility, and thus become increasingly enthusiastic, have confidence in progress, and outstandingly fulfill the missions in the new phase.

II

In future years, agriculture will continue to be a foremost front in our country's economy. General Secretary Le Duan pointed out that the missions of agriculture are to "Rearrange the economic structure and renovate the management mechanism in order to advance agriculture a step further toward large-scale socialist production. Bring into play the encouraging accomplishments in agricultural production, concentrate efforts on developing agriculture at a high rate and comprehensively, on the basis of continuing to more strongly promote intensive cultivation, increase yields, and increase the number of growing seasons, while at the same time making good use of labor and land to expand cultivation and develop animal husbandry, and solidly resolve the food problem, accompanied by the expansion of industrial crop growing." (Footnote 3) (Ibid.)

The principal mission of agriculture is still to endeavor to promote the production of grain in order to meet the food needs of all of society and advance to having grain reserves. Only with a solid grain base can conditions be created for agriculture to develop comprehensively, and only then is it possible to meet the urgent requirements of socialist industrialization. We are entirely capable of resolving the grain problem with the existing material-technical bases and those that will be added, with the existing and continually supplemented knowledge, and with the rearrangement of the economic structure and the renovation of the management mechanism, which will enable the rapid expansion of advanced models with regard to the yields of rice and the other grain crops in order to attain the goal of 19 million tons of grain in 1985 and advance to a more rapid pace in order to attain per-capita grain yields of 400 and 500 kilograms by 1990 and 2000.

A comprehensively developed agriculture includes grain crops (both rice and subsidiary food crops), non-rice food crops, industrial crops, and animal husbandry (in the larger sense, fishing, forestry, and rural industry). In

addition to the mission of resolving the grain problem it is necessary to pay all-out attention to animal husbandry, with emphasis on the types of livestock which can be most readily developed under the tropical natural conditions in our country. Capabilities for producing agricultural products for export are rather rich and include such tropical and semi-tropical products as coffee, rubber, and many kinds of fruit; with many kinds of short-term crops which may be introduced into the cultivation regimes of the different rice and subsidiary food crop areas, with the creation of medium and large-scale specialized production areas (vegetables, legumes, tobacco, essential oils), and with a number of special grain products (fragrant rice, white potatoes, and tapioca) or animal husbandry products (suckling pigs and duck feathers). There must be a relatively comprehensive plan to produce agricultural products for export, including the various kinds of products that can be produced rapidly (annual crops and the raising of small livestock) and the types requiring a relatively long production time (perennial crops and the raising of large livestock); including all economic sectors (state, collective, and family); and including all aspects: production, harvesting, processing, packaging, and circulation. Agriculture must also provide agricultural raw materials, especially for a number of food industry sectors. Because of industrial processing the value of industrial products is increased and byproducts and waste products are fully utilized.

In a tropical country with a small per-capita land area, those missions can be fulfilled only by continually increasing the level of intensive cultivation on the entire cultivated area, positively increasing the cultivated area, labor productivity. Intensive cultivation on the entire cultivated area requires the improvement of the various kinds of poor soil (acidic soil, saline soil, alum soil, depleted soil, coastal sandy soil, low-lying, marshy soil, etc.). It is necessary to increase the number of growing season, with rational crop rotation regimes, and to apply scientific-technical advances extensively in order to attain increasingly higher yields and relative uniformity on the cultivated area. Land clearing on high-lying, hilly land easily leads to the soil quickly becoming eroded and depleted if intensive cultivation is not practiced from the beginning and if strict technical procedures based on the objective developmental laws of tropical land and forests are not followed.

Those agricultural missions were set forth long ago in Party resolutions and have been gradually fulfilled in the recent period. At present, in addition to recapitulating agriculture we are drafting long-range strategic forecasts regarding grain, food products, animal husbandry, and exports, and are drafting a 1986-1990 5-year plan. We will set forth practical goals and schedules for the coming period by weighing and calculating them on scientific bases (the actual economic-social situation, our actual potential and capabilities, the developmental tendency of the world, international cooperation capabilities, etc.). However, the ways to enable agriculture to develop at a high rate and comprehensively can be seen relatively clearly in the accomplishments and experiences regarding the guidance and management of agriculture during the recent period. First of all, rearranging the agricultural economic structure, i.e. reorganize agricultural production on a national scale, in order to advance agriculture from small-scale production to large-scale socialist production that is comprehensively developed and has many commodity products. In addition to reorganizing production in the

traditional agricultural areas in the river deltas, it is necessary to create new agricultural areas in the midlands and mountain regions with appropriate production sectors (industrial crops, perennial fruit crops, animal husbandry, forestry, etc.), and with the redistribution of social labor among the production areas and sectors and trades. Taking advantage of the advantages and capabilities of tropical conditions, it is necessary to scientifically rearrange the production seasons during the year in the areas growing industrial crops. It is necessary to combine the different aspects of production--cultivation, animal husbandry, pisciculture, afforestation, etc., in each area and locality, create well-balanced agricultural-forestry-fishing ecological systems which have high and stable yields, and fully utilize land, climate, and labor to produce a rich and varied quantity of agricultural products.

In reorganizing production it is necessary to simultaneously carry out the three revolutions (the revolution in production relations, the scientific-technical revolution, and the ideological-cultural revolution, among which the scientific-technical revolution is the key), step up the building of material-technical bases for agriculture and pay attention to all economic components (state, collective, and family) to create conditions for those components to help one another develop. The reorganization of production must be carried out at the basic level and advance rapidly to larger areas, on a district scale, with the direction of creating agricultural-industrial or industrial-agricultural districts and developing the potential of each district. District plans must manifest the directions of intensive cultivation and specialized cultivation, with a division of labor in creating relatively large specialized cultivation areas among the cooperatives (especially with regard to agricultural products for export), combining agriculture (in a broad sense, including the agricultural sectors, fishing, and forestry) and industry (handicrafts, small-scale industry, and medium-scale industry) from the very beginning, to create favorable conditions for technical investment and the application of new technical procedures in production, processing, circulation, and distribution.

Second, while reorganizing agricultural production it is necessary to rapidly renovate the agricultural management mechanism. In the immediate future it is necessary to complete the mechanism of contracting output to groups and individual workers in order to attain the goals of guiding planning, managing technical processes, and building material bases to apply scientific-technical advances, increase the benefits of the state, the collectives, and the workers in an harmonious manner, and increase uniformity. In the immediate future, it is necessary to investigate and categorize the cooperatives and production collectives in order to have guidelines for completing contracting and guiding each base, to organize and consolidate the specialized units and teams, and help the cooperatives and collectives closely manage the plan norms, the seasonal structure, and the variety structures, correctly implement the technical procedures, and create conditions for production to continue to develop basically, stably, and in the long range.

In addition to completing the output contracting mechanism it is necessary to bring into play the role of the technical service system, with the mode of supplying materials at the grassroots level to ensure that production is tied

in with the results of final output by the producers. The system of technical services must strictly carry out economic contracts with cooperatives before each season and year, so that the cooperatives can take the initiative in carrying out production, using materials in correct accordance with the technical regulations, and attaining high economic effectiveness. In the production bases and districts, it is necessary to develop forms which directly serve production and are carried out by the state and people together, such as organizing insurance crop insects and diseases and livestock diseases. The economic-technical sectors at the upper (provincial or central) levels must be consolidated and they must amend their working methods and closely ally with one another in order to effectively serve the basic level.

Third, the reorganization of production and the renovation of the management mechanism have created conditions for bringing science and technology into production, accelerating the development of production, and building a new countryside. At the same time, introducing science and technology into agricultural production (the first step of the scientific-technical revolution) has contributed to consolidating socialist production relations and raising the ideological-cultural and scientific-cultural and scientific-technical levels of the laboring peasants.

It may be said that if we fully apply our present knowledge of science and technology to production we are entirely capable of attaining the objectives and missions of agricultural production, although the material-technical bases of country's agriculture are not yet adequate and agricultural labor in our country is still essentially manual. The scientific-technical advances in biology (new varieties, biological agents, organic nutrients), combined with the beginning of agricultural mechanization and chemicalization of agriculture have played a decisive role with regard to agricultural yields and output during the recent period. However, experience in guiding and managing science and technology shows that only with appropriate methods is it possible to introduce scientific accomplishments and technical advances into production. In this regard the method of guidance by means of models, based on the mass forces, have proved to be effective. It is necessary to form a network of scientific-technical organizations, from research institutes and colleges to provincial and district stations and farms, and the technical units of cooperatives, and transform it into a complete network for introducing the results of scientific-technical research into production via the mass organizations.

Fourth, in guiding production and agricultural science and technology, it is necessary to pay all-out attention to international cooperation in order to apply outside assistance for each aspect and each of our production areas in accordance with the principle of mutual benefit. We must cooperate internationally in order to obtain the newest scientific-technical advances of foreign countries so that we can apply them creatively to the conditions of our country and contribute to the development of world agricultural science. With a spirit of independence, autonomy, and self-reliance, the good organization of international cooperation along those lines is a measure which has a positive effect on the development of our nation's agriculture.

Finally, a matter which must receive special attention and be suitably resolved

is the relationship between the development of agricultural production and population development in our country. The present rate of population increase is too high: on the average, 1 million people are added to the nation's population every year. In a 4-year period (1981-1984), on the average grain production increased by nearly 1 million tons, which was only sufficient to feed the new people who were added. Therefore, it is necessary to endeavor to reduce the rate of population increase to about 1 percent, for only then can there be conditions for improving the material and spiritual lives of the people. The matter of family planning must play the strategic role and include it in the economic-social development strategies of all echelons and sectors, from the central level down to the basic and family levels. The agricultural sector has the mission of, along with the other relevant sectors, encouraging the peasants to implement planned population growth, combined with the implementation of agricultural production development plans at the basic level.

During the past 40 years, Vietnam's agriculture and countryside have undergone extremely profound revolutionary changes and have endeavored to attain great accomplishments and contribute worthily to the nation's common revolutionary accomplishments.

The present revolutionary phase is still difficult and complicated, but the future of our nation has never been brighter than it is today. Enthusiastic and proud of the accomplishments that have been made, the collective peasant class and agricultural cadres of Vietnam are determined to, along with the entire party and population, go all-out to lead our country's agriculture past its present difficulties, advance at a high rate, and successfully build a comprehensively developed intensive-cultivation agriculture that is advancing rapidly on the path of large-scale socialist production.

5616

CSO: 4209/235

AGRICULTURE

RECENT AGRICULTURAL ACTIVITIES REVIEWED

OW240957 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Mar 86

[Text] Dear friends: Here are some noteworthy features of agricultural activities over the past 10 days:

The entire country has completed the cultivation of 1,771,168 hectares of winter-spring rice, or 102.4 percent of the acreage planted in the same period last year or 97.3 percent of the planned acreage, with the southern provinces having achieved 101.2 percent and the northern provinces, 97.3 percent.

As many as 60,000 hectares have been left uncultivated in the northern provinces, including 28,000 hectares in the mountainous areas and more than 10,000 hectares in former Zone 4. Ha Son Binh, Ha Bac, and Vinh Phu Provinces have planned to plant a large acreage of late spring rice. However, the cold weather and drought at the end of February and in early March have affected the rice acreage and development. In fact, late spring rice plants in many fields have died or developed slowly.

Currently, the northern provinces have shifted to tending and fertilizing ricefields but are experiencing water shortages. According to the Ministry of Water Conservancy, as many as 320,000 hectares of rice in 10 key rice-growing northern provinces are now in need of water, including nearly 60,000 hectares where the soil has cracked.

Meanwhile, more than 40,000 hectares of rice have been affected by crop pests. The winter-spring rice crop in the southern provinces has developed fairly, but some 47,000 hectares have been infested with harmful insects.

Localities have harvested about 30 percent of the planted acreage of early winter-spring and main rice crops, achieving a fairly high paddy output. An Giang and Tien Giang Provinces have achieved respectively 50 and 43 quintals per hectare while Hau Giang and Kien Giang Provinces have achieved 38 quintals.

Along with harvesting and protecting the winter-spring rice crops, the southern provinces have plowed some 56,000 hectares of land for the summer-fall rice cultivation.

The entire country has so far planted more than 410,000 hectares of subsidiary crops, 123,000 hectares of vegetables and beans, and 194,000 hectares of industrial crops.

In general, the cultivated acreage of winter-spring vegetables and subsidiary and industrial crops this year has increased, but the plan norms have not yet been fulfilled. In particular, the peanut acreage has increased fairly.

Over the past days, the blazing sun has affected crop development and caused the soil to crack.

Dear friends, to ensure a successful winter-spring rice crop, the Ministry of Agriculture has urged the northern provinces to concentrate efforts on tending the rice crop and weeding and on fighting and controlling drought. Both the center and localities must coordinate in using all available buckets and norias to bring water to ricefields and in applying additional organic fertilizers and manures to help riceplants tiller. At present, all installations must pay attention to detecting crop pests in order to take effective preventive measures.

The southern provinces should strive to complete harvesting the early winter-spring and main rice plantings while protecting the late winter-spring rice. Right now, they must begin all necessary preparations for the cultivation of the summer-fall and 10th-month rice crops. Since the cultivation season for vegetables and subsidiary and industrial crops is not yet over, all localities should strive to fully use all lands, seeds, and fertilizers so as to fulfill or overfulfill the acreage plan norms and produce large quantities of farm products and goods in the winter-spring crop season.

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CS0: 4209/403

AGRICULTURE

AFFORESTATION STEPPED UP TO PROVIDE MATERIALS TO PAPER MILL

Hanoi NHAN DAN in Vietnamese 7 Feb 86 p 2

[Article by Truong Van Le, director of the Vinh Phu Forestry Service: "Intensive Afforestation To Provide Raw Materials to the Bai Bang Paper Mill: Intensively Cultivating 40,000 Hectares of Forest Each Year Will Provide 300,000-400,000 Cubic Meters of Wood To Produce Paper; Raw Material Area Reduced 15 Times, Transport Distance Is 4 Times Shorter"]

[Text] The Bai Bang Paper Mill in Vinh Phu has a capacity of 55,000 tons of paper a year. As for raw materials, it needs approximately 400,000 cubic meters of wood and quantities of bamboo. Approximately 70 percent is short-fiber wood and 30 percent is long fiber. In recent years, the mill has remained in operation, but because of a shortage of raw materials it has operated at only 44 percent of capacity. The problem is to plant trees in order to supply adequate raw materials for the mill.

Vinh Phu is a midlands province, and more than 65 percent of the arable land is covered by forest. It has been determined that the forest economy is a source of wealth for Vinh Phu. In addition to tea, trees used to produce paper are a spearhead in the forest area. Implementing Directive 29/CT of the Secretariat of the CPV Central Committee on turning over land and forest, Vinh Phu has now reorganized production in the forest areas in the province. After delineating areas, it turned over 77,000 hectares of forests and forest land to 9 state forests and 54,100 hectares to 263 cooperatives, which will manage and work the land and interplant grain crops and plants to improve the soil. It has also turned over more than 9,100 hectares to the state farms and military units. The remaining 54,000 hectares is closed forest and forest preserve land that is managed and protected by the people's forest management forces. In the cooperative zone, 182 cooperatives are carrying on afforestation activities. Also, 142 specialized units and 2,680 households have contracted to plant trees, and 14,250 households are planting forest gardens. The main form of mobilizing laborers for afforestation work continues to be using laborers during the agricultural off-season.

Vinh Phu has decided to cover the empty land and barren hills in two ways: by zoning and restoring forests and afforesting new areas. The province has delineated more than 35,000 hectares for afforestation. During the past 2 years, 17,500 hectares have been zoned. Because of this, the forests and

bamboo groves in Thanh Son, Thanh Hoa, Doan Hung and Lap Thach districts have been restored, and the outlook for their recovery is good. Afforestation is an important task and so the rate of afforestation has increased every year. Greater attention has been given to quality. The 1981-1985 5-year plan called for Vinh Phu to afforest 17,544 hectares. For the period 1984-1985, the target was more than 11,000 hectares. Along with replanting the forests in trees, the province has also planted 456 hectares in tea and 785 hectares in *Toxicadendron succedanea* and increased the area planted in peanuts from 4,200 hectares to 5,680 hectares. These have been interplanted with forest plants. Because of interplanting crops, Thanh Hoa District harvested 80 tons of peanuts and 40 tons of legumes. The Tieu Son Cooperative in Doan Hung District interplanted 60 mau of upland rice and harvested 17 tons of paddy, 3.2 tons of peanuts and 140 kg of legumes. Through issuing land to make forest gardens, home sites have been rationalized for 667 households consisting of 3,276 people, including 1,268 laborers. Because of this, they are closely attached to the forest economy.

Implementing the motto the "state and people working together," during the period of the 1981-1985 5-year plan, the state-operated units afforested 10,068 hectares and the cooperatives afforested 7,476 hectares. In 1985 alone, the cooperatives afforested 3,430 hectares and the state-operated units afforested 3,000 hectares. The rate of planting concentrated forests in the cooperative zone has increased continually even though the financial support provided by the state is very limited and is equal to only 20 percent as compared with the unit price of state afforestation.

What is striking is that during 1984 and 1985, Vinh Phu tried carrying on intensive afforestation and scored results. In 1984, 77 hectares were afforested, and in 1985, 430 hectares were afforested. After 1 year, the trees averaged 3-4 meters in height, with the tallest trees reaching 6.5 meters, and the diameter was 3-5 cm. These results have strengthened people's confidence in being able to increase the rate of intensive afforestation in Vinh Phu from 1,000 hectares to 1,500 hectares per year in the 1985-1990 plan. Vinh Phu has readied adequate cuttings and fertilizer and plowed almost 1,000 hectares in order to carry on intensive afforestation this spring. The cost of intensively planting 1 hectare of eucalyptus forest is equal to only 87 percent of the cost of planting 1 hectare of pine forest not planted intensively. And the cost is only 20 percent higher than planting a eucalyptus forest that is not planted intensively. Intensive afforestation will shorten the business enterprise period of eucalyptus trees from 15-20 years to only 8-10 years. And if the trees are being grown for firewood, the period will be only 4-5 years. In later periods, the suckers produce a greater biomass per hectare than during the initial period (the 2d year is equal to 120 percent, and the 3d year is equal to 100 percent). The need to quickly afforest the barren land and hills in Vinh Phu has become urgent. The initial results in guiding intensive afforestation in Vinh Phu have opened up many prospects, including afforestation to supply raw materials to the Bai Bang Paper Mill.

With the arable land potential that exists in Vinh Phu Province, if intensive and semi-intensive afforestation is carried on, it will be possible to supply adequate raw materials to the paper mill. Only 40,000 hectares are needed, including 8,000 hectares of eucalyptus trees, 15,000 hectares of pine trees,

6,000 hectares of Manglietia aff. fordiana, 6,000 hectares of pipal trees and 5,000 hectares of bamboo. This does not include the thousands of tons of bamboo grown by the people every year. The growing period for eucalyptus trees is 8 years. This type of tree gives a yield of 200 cubic meters of timber per hectare. Pine trees must grow for 15 years before they can be cut. They give a yield of 100 cubic meters per hectare. Maglietia aff. fordiana and pipal trees have a growing period of 12 years and yield 100 cubic meters per hectare. Thus, by the 8th year, the yield will be 200 cubic meters. By the 12th year it will be 300 cubic meters, and by the 15th year it will be 400 cubic meters. This does not include approximately 10,000 tons of bamboo. Such timber and bamboo yields are adequate to keep the paper mill operating at a capacity of 50,000-55,000 tons of paper per year. One favorable aspect is that it has been the practice in Vinh Phu to grow crops and plant trees in both the state-operated and cooperative sectors. With close guidance and with the experience already gained, engaging in intensive cultivation in order to create sources of raw materials for the paper industry will soon bring results.

11943

CSO: 4209/366

AGRICULTURE

BRIEFS

HANOI DROUGHT CONTROL--As of 21 March, nearly 24,000 hectares of spring rice in Hanoi--mostly in Soc Son, Dong Anh, Ba Vi, Thach That, Me Linh, and Hoai Duc Districts--have been affected by drought, 10,000 of them seriously. In addition to fully exploiting the capacity of the key pumping stations, Hanoi has supplied tens of thousands of metric tons of oil to various cooperatives to help them pump water into elevated ricefields. Cooperative members in Soc Son, Thach That, Ba Vi, and Me Linh Districts have used hundreds of water wheels and power pumps to combat drought. The Water Conservancy, Power, and Agriculture Ministries have decided to concentrate power supplies on major pumping stations 20-24 hours a day to boost their drought control capacity. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 22 Mar 86 BK] /9738

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CSO: 4209/403

LABOR

NEW SUBSIDY REGULATIONS EXPLAINED

Hanoi LAO DONG in Vietnamese 26 Dec 85 p 7

['LAO DONG Replies' column: "Regular and Unexpected Hardship Subsidies for the Worker and Civil Servant"]

[Text] + The following question was received from Le Sam Uat (a full-time cadre of the Federation of Construction Survey Enterprise Trade Unions, Ministry of Building); Vu Thi My (Viet Tri Industrial Area); Tran Van Tiep (Tuyen Binh-Ha Tuyen State Forest); and a number of other readers: "Who are the recipients of regular hardship subsidies?"

Answer: Based on the guidance from a joint circular of the Ministries of Labor and Finance and the Vietnam Confederation of Trade Unions, individuals in the categories below with many dependents and truly difficult living conditions are all considered as subsidy recipients:

--Workers, civil servants and those receiving a salary from the armed forces and now working, comprising individuals fulfilling long-term contracts (wage earners and systems such as workers and civil servants).

--Workers and civil servants working in joint state-private enterprises.

--Retired workers and civil servants and those on medical leave of absence receive a regular subsidy.

When approving subsidies, unit commanders and primary level trade unions must give attention first of all to dependents previously under the worker and civil servant system of grain and food ration coupons and stamps.

+ Nguyen Van Tanh (Xuan Hoa-Dong Anh-Hanoi) and a number of readers (Bridge 61 Enterprise-Tan Binh Ward-Ho Chi Minh City) ask, "Are stepfathers and mothers, adoptive mothers and illegitimate children included in the category of direct support by the worker and civil servant?"

Answer: Individuals that workers and civil servants must directly support consist of:

--Parents of the wife or husband (including foster fathers and mothers; and stepfathers and mothers); wives or husbands over labor age (60 and up for males and 55 and up for women) or who are disabled; and dependent brothers and sisters who are disabled and receive no state subsidies.

--Children of workers and civil servants (natural, adopted and illegitimate) who have not reached working age or are attending a general school, college, middle level vocational school, trade school, etc. who have not graduated or have reached working age but are disabled.

+ Huynh Xuan Tung (Nam Dinh City Textile Mill collective zone) asks, "What conditions must be met for those in the categories above to receive hardship subsidies?"

Answer: Workers and civil servants in the categories above will receive a subsidy only if the following two conditions are fully met:

1. Has many dependents to care for:

--Three dependents and up for families of workers and civil servants in which both the wife and husband are able to work.

--Two dependents and up for families of workers and civil servants in which: one spouse has died; the wife or husband is disabled or unable to work for health reasons and draws no income; and either the wife or husband is fulfilling a military obligation (calculated only for the time while on military assignment).

2. The family lives primarily or completely on wages or subsidies provided by the state with no other source of income, or has another but insignificant source of income, and whose daily life (food, clothing, education, health, etc.) is encountering many difficulties.

+ Nguyen Thi Danh (Thanh Long-Hanoi Bridge Enterprise Federation) and a number of other readers ask, "When the worker or civil servant meets the conditions above, how does he receive the subsidy?" Does the family with many dependents receive much more than a family with only one or two?"

Answer: The subsidy appraisal must rely on the following three points:

1. The level of the hardship subsidy is differentiated absolutely by region and consists of four levels:

+ The provinces of Minh Hai, Hau Giang, Kien Giang, An Giang, Tien Giang, Dong Thap, Cuu Long, Ben Tre and Long An: a subsidy level of 25 dong.

+ In Ho Chi Minh City, the provinces of Minh Hai, Hau Giang, Phu Khanh, Nghia Binh and Quang Nam-Da Nang, and the Vung Tau-Con Dao Special Zone, the subsidy level is 30 dong.

+ In the provinces of Dac Lac, Gia Lai-Kon Tum, Thai Binh, Hai Hung and Ha Nam Ninh, the subsidy level is 35 dong.

+ Remaining cities and provinces: a subsidy level of 40 dong.

2. The amount of the subsidy is calculated from the individual who must care for a third or second dependent and up in the cases mentioned above.

3. The subsidy amount for each worker or civil servant is decided through the specific examination of the circumstances of each family by the agency or enterprise commander with the trade union executive committee.

+ Hoang Thi Canh (Tay Ninh General Department of Rubber) and a number of other readers ask, "Under what circumstances is the worker or civil servant approved for a unexpected hardship subsidy? May those who receive a regular hardship subsidy receive approval for an unexpected hardship subsidy?"

Answer: A family of a worker or civil servant (including those receiving a regular hardship subsidy) that encounters an unexpected hardship such as a natural disaster, enemy destruction, house fire, or long-term illness (a period of 3 months and up) or death of the father, mother, wife, husband or children, etc. requiring state assistance may receive approval for an unexpected hardship subsidy.

+ Tran Van Cong (Coc 6 Mine-Cam Pha-Quang Ninh) and Huynh Thi Kiem (Bien Hoa Industrial Area) ask, "How does the state stipulate unexpected hardship subsidies?"

Answer: Depending on the level of the unexpected hardship in each case, the Ministries of Labor and Finance and the Confederation of Trade Unions have jointly set four absolute subsidy levels: 50 dong, 100 dong, 150 dong and 200 dong.

--A worker or civil servant may draw no more than two unexpected hardship subsidies in 1 year.

--Unexpected hardship subsidy expenditures are budgeted at an annual average of 15 dong per worker or civil servant.

Methods of reviewing and disbursing unexpected hardship subsidies are still implemented in accordance with the regulations in Joint Circular 09-TT/LB 10 December 1980 of the Ministry of Finance and the Vietnam Confederation of Trade Unions.

7300

CSO: 4209/358

POPULATION, CUSTOMS, AND CULTURE

ECONOMIC-SOCIAL PROBLEMS OF MOUNTAIN REGION DISCUSSED

Hanoi THONG TIN KHOA HOC XA HOI in Vietnamese Jul 85 pp 59-71

[Article by Be Viet Dang and Ngo Duc Thinh summarizing the Second Social Science Conference: "Some Economic-Social Problems in Northern Mountain Provinces"]

[Text] Implementing the resolution of the Fifth Party Congress and the Council of Ministers on economic-social construction and development in the mountain-region provinces, the Vietnam Social Science Commission, with the participation of the northern mountain provinces, successfully held the First Social Science Conference in Hoang Lien Son in 1982. In order to continue the implementation of the program to research economic-social problems in the northern mountain provinces (1984-1985), the Social Science Commission held the Second Social Science Conference was held in Bac Thai in March 1985.

On the basis of the function of social science, the economic-social research program in the northern provinces is intended to systematically present and explain the actual situation and the economic-social changes of the ethnic minority groups in the northern border provinces, to research and recommend proposals that are in nature viewpoints and guidelines to resolve the economic-social problems that are being posed, contribute to victoriously carrying out the great enterprise of socialist transformation and construction, and strengthen the national defense potential of the mountain provinces. The object of research in this case is the mountain region, where there live more than 30 ethnic groups with many distinctive economic, social, and cultural features the developmental levels of which are not uniform. Therefore, in research it is necessary to more fully understand the viewpoints and policies of the Party and state toward the mountain region and the ethnic groups. Furthermore, the northern mountain provinces will for a long time to come be places which must cope directly with the aggressive, annexation plots of the Beijing expansionists, and will be the front line for the entire nation. Therefore, all analyses and all economic, economic, and cultural solutions in that region must be viewed from the point of view of combining economics with social defense and the building of socialism with the strong defense of the socialist Fatherland.

Clearly, economic-social research is a multi-sector research topic which demands the thought and contributions of many scientific fields and of people

engaged in actual guidance at the central and local levels. That intersectoral convergence will bring together information and process and evaluate that information from many different angles in order to analyze and explain problems more accurately and comprehensively. The economic-social problems of the mountain region must also be considered from the overall system, i.e. the economic, social, cultural, and national defense problems must be posed and resolved in mutually affecting relationships. Furthermore, the northern mountain provinces cannot be separated from the larger entities: the north and the nation.

The major problems researched and discussed in that program include three central concerns of research: 1) The ethnic minority people, who have always been closely bound to the natural conditions of the mountain region, have production, social and cultural traditions and a tradition of struggling against foreign aggression, and are advancing to becoming the masters of society and the nation; 2) Strengthening the material-technical bases, especially the role of industry, in order to develop as effectively as possible the latent strengths of the mountain region and develop agriculture and forestry; 3) Building and consolidating the new production relations and the new social relations, the central concern of which are the production relations in agriculture. Those are urgent problems of the enterprise of economic-social development in the mountain region which must be studied by social science.

I. On Population and Labor

1. Population and changes in population. In viewing the present situation of the population distribution of the ethnic minority groups it is necessary to pay special attention to the situation of highly interspersed population in a given area, and of each ethnic group being adapted to certain environments, such as low-altitude, high-altitude, and middle-altitude areas. Over the course of thousands of years of living in such familiar environments, each of the ethnic groups has become capable of adapting to and utilizing their own environment and economic, social, and cultural traditions. Therefore, in bringing into play the economic strengths, reorganizing production, and redeploying the present population centers, it is necessary to pay special attention to those special features. Furthermore, it is necessary to regard capability to adapt to an environment as a "strength" which must be maintained and developed. When it is necessary to move places of residence it is also necessary to take into consideration the factors of environmental adaptability and traditions and customs relevant to the production and social-cultural lives of the people, and not merely the transfer of population areas.

An outstanding feature of the population of the northern mountain provinces at present is that changes are taking place in many different directions. Since 1978, when the reactionary Beijing clique started an "abuse of Chinese living in Vietnam" campaign and urged the Chinese to abandon their houses and fields and flee, there have been many complicated population changes in many localities in the northern mountain region. In recent years there have also been population changes among some Tay, Nung, and Hmong groups. The reasons for that unstable population situation include provocations by the enemy, difficulties in production and life, etc.

The movement of a rather large number of Vietnamese from the lowlands to develop new economic zones in the northern mountain region has truly changed the population structure of the mountain region during the past several decades and has considerably increased the ratio of Vietnamese in the mountain region.

Clearly, the movement of people from the lowlands to develop new economic zones in the mountain region is a major policy of the state that is intended to redistribute labor throughout the nation, contribute to the economic-social development of the mountain region, and strengthen solidarity among the ethnic minority groups. However, in addition to the great accomplishments that have been attained, there are still a number of matters which must be examined and lessons about which must be learned, such as organizing and orienting production in the new economic zones, the distribution of population, a rational structure of sectors and trades for workers sent to the mountain region, the building of material-technical bases, the distribution of labor, social management, relations among ethnic groups, etc.

Closely related to the movement of people from the lowlands to the mountain region and the economic-social changes of the northern mountain region during the past several decades is the fact that urban centers and the urban population have increased steadily. They include cities, towns, agricultural, state forest, and factory centers, etc. The scale of cities in the mountain region and their populations have gradually increased. Most of the inhabitants of towns and cities are Vietnamese. Although the ratio of ethnic minority people has increased it is still too low, and in the state farms and state forests the ethnic minority component and ratio are even lower. The social structure (classes, sectors and trades, economic components, etc.) in the mountain region urban areas are also undergoing many changes. In general, the people engaged in agriculture and the state cadres and civil servants still account for a rather large ratio and industrial workers account for a very small ratio.

The urban centers are political, economic, social, and cultural centers which have great significance with regard to economic-social development in the mountain region. The urban population, including workers and cadres of the organs, state farms, state forests, enterprises, etc., are advanced forces among the ethnic minority people and must play a role in socialist transformation and construction in the mountain region.

An important economic-social mission at present of the northern border provinces is the reorganization of the population centers of the ethnic minority people and the development of the rural areas into solid bastions which protect production, the safety of the people, and increase combat strength against the aggressive plots of China. That is a matter of ensuring the long-range production and combat of the ethnic minority people, which must be studied, organized, and implemented in a manner appropriate to the situation of each locality and the long-standing traditions and production customs of each ethnic group, while avoiding haste and temporariness. At the same time, we must take into account the new population element: the large number of troops, cadres, and workers who are being concentrated to fulfill national defense missions. There must be specific policies to use that

combined strength in production, combat, social-cultural development and ethnic group relations.

2. With regard to population, in addition to changes caused by mechanical population increases and decreases, many reports have dealt with population policies and planned parenthood policies. There has been a proposal that there be policies to limit births in places and ethnic groups in which the annual rate of population increase is 1.5 percent or more. In fact, the ethnic minority group population accounts for only 12 percent of the national population. Therefore, if the rates of population increase of those ethnic minority groups are higher than that of the Vietnamese, that will not have a major impact on the national population increase rate, but will affect economic development and the improvement of the living standards of those ethnic groups. There is also another viewpoint that the ethnic minority people should not be allowed to increase freely, but that we should not be rigid, imitative, and uniform in all places and among all ethnic minority groups.

3. The matter of rationally using local labor, balancing labor among the various areas, and improving the quality and level of labor of the population in the mountain region has an important significance in the study of population and labor in the mountain region at present. In past years, the distribution of population and labor in the mountain region has not truly been based on basic research and has not been based on plans to reorganize production and the distribution of social level. Therefore, there are still many irrationalities in the use and distribution of labor which have not brought about economic results but have created difficulties in managing and protecting natural resources and the environment. In many places, when creating agricultural-forestry production bases we should have employed and used the local ethnic minority workers, who have a tradition of forestry and the growing of special product crops, but instead brought in people from the lowlands to do unfamiliar work, which created irrationalities in the use and distribution of labor, failed to develop the role of the state bases in the mountain region, and adversely affected solidarity and mutual aid among the ethnic groups. Bringing in workers from lowland areas only takes into consideration liberating the surplus labor of the lowlands, but does not take into consideration the structure of the sectors and trades of workers, and the rational use of labor in order to utilize that labor in the new economic zones.

Due to failure to pay attention to planning labor use in the mountain region, the structure of sectors and trades is irrational and has thus not created conditions favorable for distributing labor and forming a new economic structure in the mountain region and enabling that region to escape the situation of self-sufficiency, sluggishness, and backwardness.

II. On the Economic development of the Mountain Region

1. The strengths of the mountain region are actual capabilities with regard to natural resources and people which can be exploited and utilized with great effectiveness in comparison to those of the other regions and create capabilities for meeting the economic goals of the region and contributing to

meeting the common strategic goals of the nation. With such viewpoints, there is wide agreement that the economic strengths of the provinces in the northern mountain regions at present are special product crops, long-term and short-term industrial crops, the raising of large livestock on different scales and in different forms, the exploitation of forests and forest land, the expansion of industry, especially the energy industry, and mining. Although at present the forest and forest land are still being exploited haphazardly. But if in the immediate future prompt protective measures are promptly applied and there is a rational development plan, they can still be important sources of commodity goods for the mountain region. Therefore, in addition to organized exploitation it is necessary to enter immediately into planning afforestation and the recreation, improvement, and protection of the important natural resources.

In the past little attention was paid to industrial development and industry was not regarded as an economic strength of the northern mountain region. The northern mountain region, which has 62 percent of the nation's hydroelectricity reserves, 98 percent of the nation's coal, and nearly all of the other valuable minerals, clearly has great capabilities for resolving the basic problems of the national economy and for developing the region economically, socially, and culturally. For many years we have been aware that that with regard to that strength we have emphasized meeting the common economic-social goals beyond the mountain region, but have seldom taken advantage of its many capabilities to fulfill its own economic-social missions.

In speaking of the economic strengths of the mountain region we do not refer only to the natural resource potential that can be exploited but, more important, to the people, who have a long tradition and experience in production, patriotism, and a persistent revolutionary spirit. We must bring into play the mastership spirit and revolutionary will of the masses and transform the strength and potential of the spirit into economic strength. We must also exploit the long-standing traditions of the ethnic groups there with regard to forests, animal husbandry, and the growing and gathering of such valuable, rare special product crops with high economic value, such as anise, tung oil, camellia, cinnamon, cherries, shellac, tobacco, tea, etc. It is necessary to bring into play the traditional elements, combined with the new technical advances, to create an increasingly larger quantity of commodity goods from those traditional economic strengths. By following that route we must gradually plan specialized areas, redistribute social labor, and create conditions so that the economies of the ethnic groups can be integrated into the common economic structures of the region and the nation.

2. In order to bring into play the economic strengths of the mountain region, many difficulties must be resolved, such as grain and labor shortages, weak material-technical bases, and lack of economic-social development. The shortage of grain is one of the greatest obstacles. Clearly, the resolution of the grain problem and bringing strengths into play are two organically related aspects which exert a reciprocal effect on each other. The good, rapid, and rational resolution of that relationship will create capabilities for developing the economic strengths of the mountain region, and will create new directions and advantages for resolving the region's grain problem. Thus

the viewpoint and direction for resolving the grain problem in the northern mountain region is to place it in a relationship with the development of economic strengths, on the basis of developing strengths in order to meet part of the grain needs while at the same time developing strengths on the basis of resolving the food problem.

The resolution of the problem of grain for the mountain region is complicated and must be accomplished by many different means. There is general agreement on two basic directions: creating capabilities for producing grain on the spot, by means of fully utilizing the existing land to grow grain crops on the spot, on the basis of intensive cultivation, increasing the number or growing seasons, and expanding the cultivated area, provided that the destruction of forests and soil erosion are not further exacerbated. With regard to viewpoints, we must regard investment in the intensive cultivation of rice in 150 key fields (with a total area of about 150,000 hectares) in the northern mountain region, in order to increase capabilities to resolve the grain problem on the spot and develop the region's strengths, as a matter that is strategically no less important than the intensive cultivation of rice in the key rice-growing areas in the lowlands. In addition to rice, it is necessary to pay all-out attention to subsidiary food crops (corn, manioc, etc.), and the subsidiary food crop processing industry to serve the daily diet of the ethnic minority people. With that orientation, it is necessary to bring into play the traditional strengths of the ethnic groups in the low-altitude areas (Tay, Nung, Thai, and Muong), which are ethnic group with a long history adapting, popularizing, and intensively cultivating rice.

The resolution of the grain problem in the mountain region must be accomplished by means of developing its strengths, especially special product crops, forestry products, and animal husbandry, by exchanges and economic alliances with the outside, in order to obtain grain and part of the materials necessary to serve the intensive cultivation of rice and subsidiary food crops (seeds, fertilizer, insecticide, etc.). That is an actual capability. The remaining problems are a specific economic policy and organization and implementation in many different forms.

3. In orienting and reorganizing production in the mountain region at present, industrial development is of foremost importance. Because of awareness that industry, especially energy industry and mining, are strengths of the northern mountain region, and that industry plays the role of being a lever in developing agriculture are forestry and in improving and raising the living conditions of the ethnic groups in the mountain region, especially the ethnic minority groups, the present research program concentrated on special attention to industrial development in the mountain region, i.e. by means of increasing modern scientific-technical bases to effectively exploit the potential and strengths of the mountain region and create a basis on which to develop the mountain region economically, socially, and culturally in a situation of backwardness and sluggishness.

According to the preliminary draft of the overall plan to distribute the production forces of the mountain region between now and the year 2,000, with regard to industry there will be developed in that region heavy industry (coal, electricity, apatite, phosphorous, ferrous and nonferrous metallurgy,

construction materials, and machinery) and industries producing consumer goods and processing agricultural and forestry products (paper, textiles, pottery, the processing of agricultural and forestry products, etc.). Large industrial zones will take form. That development will affect the economy and society of the mountain region in two ways: first, it will gradually change the internal economic structure of the region and create industrial-agricultural-forestry structures, and secondly, because of the setting up of specialized industrial bases of a national significance, create a close economic alliance between the mountain region and the other regions of the nation and contribute to changing the way of life and developmental region of the region.

The mode of combining agriculture and forestry is one of effectively exploiting the natural resources of the mountain region. It is based on the natural environmental conditions of the mountain region, on the long-standing production traditions of the ethnic minority peoples, and on the economic strengths there and the economic effectiveness it brings about. However, that high economic effectiveness can only be attained by the necessary participation of the industrial factor, by the mode of industrialization. In that common industrial-agricultural-forestry structure, the combination of agriculture and forestry is in accord with nature and the ecological balance of man, while to combine agriculture and forestry with industry is in fact to develop along industrial lines and bring the factor of modern technology into the development of agriculture and forestry.

4. The commodity economy is regarded as the result and manifestation of the level of development of the division of social labor of an economy. In its turn, it is one of the most important motive forces which furthers the development of the economy and creates civilization and progress.

The mountain region, the economy of which has always been self-sufficient in nature and has had an underdeveloped commodity economy, is today, by means of efforts to develop its economic strengths, reorganize production, achieve a division of social labor within and without the area, develop the role of industry and urbanization, is gradually creating the premises for forming and developing a commodity economy. In the initial phase of development it is necessary to bring into play the factor of commerce in the traditional goods of the mountain region, the traditional handicraft trades, the goods exchange relations among the localities and ethnic groups, the system of markets and trade routes, and commerce within the region and with the outside. In addition, a rational price policy, bringing into play the role of state commerce in the mountain region, gradually overcoming the "prohibit markets and back the river" style of market management, and expanding the consumer market for commodity products are measures and policies for encouraging the development of a commodity economy in the mountain region in the short range and in the long range. However, in the final analysis a commodity economy can be created only with positive factor, on the basis of a division of labor of highly developed production, to create an increasingly greater quantity of surplus production. Those factors are objectives which we are gradually attaining in the mountain region.

5. The actual situation during the past several years in the economic-social development of the mountain region has demonstrated that the economic

development line can be implemented well only when there are, in addition, appropriate economic development lever policies. Those policies must manifest the viewpoints policies of the party and state toward the mountain region and the ethnic minority groups. Scientific reports as well as speeches by many people have dealt with the viewpoints of the policies toward developing the mountain region economically, such as the policy of investing in the building of scientific-technical bases, the state purchasing, price, tax, and obligation policies, and the policy of distributing economic benefit between the central and local levels, among the state, the people, and the sectors, and between the production of raw materials and their processing, the policy of employing and training cadres for the mountain region, etc.

III. Develop the New Socialist Relations

1. The path and forms of developing the new production relations in the rural areas in the mountain region are a key problem which has been discussed by many people. Over a period of many years the policy of collectivization, in the form of agricultural and forestry cooperatives, has been applied widely among many ethnic groups in low altitude and high-altitude areas. Although the following figures are not truly precise, they give us an idea about that developmental policy: 80 percent of the people in low-altitude areas and 10 percent of the people in high-altitude areas have entered cooperatives. Although there are still many problems which must be examined regarding the true nature of the cooperatives in the mountain region, that policy of developing the new production relations in the northern mountain region has been affirmed.

Reports which study in depth the situation of model cooperatives of a number of ethnic minority people (Thai, Tay, Nung, Mong, etc.) all stress the special characteristics of the mountain region: a low, even very low level of economic-social development which is not uniform, scattered habitation, and difficult transportation. Now, with reorganization in accordance with the new, progressive production relations, the forms and path advance of the campaign to create and consolidate cooperatives there must manifest the distinctive characteristics of the localities and ethnic groups. Therefore, we must avoid being mechanical, impatient, coercive, and formalistic, without paying attention to the true nature and economic-social effectiveness of the new production relations.

Scientific conferences have dealt with the basic problems of the cooperatives, such as the scale and orientation of production, the management mechanism, and the training of cooperative cadres. However, those problems must be concretized so that they be appropriate to the complicated, varied nature of the production conditions of each place and ethnic group, and appropriate to low, uneven developmental levels, with social and cultural traditions which have many distinctive ethnic features. We must set up test points for the various kinds of cooperatives which are appropriate to the conditions of the low-altitude ethnic groups (Thai, Tay, Nung, and Muong), the high-altitude ethnic groups (Mong, Dao, Tang-Mien), and the middle-altitude ethnic groups (the Mon-Khmer ethnic groups). With regard to ethnic minority people who live in distant, remote areas, who have only recently adopted fixed cultivation and habitation, perhaps we should not hastily set up cooperatives on the scale and

with the management forms of those which have been set up recently, but should proceed step by step with transitional forms, from a low level to a high level, such as by carrying on and renovating the traditional forms of production cooperation (work exchange and work rotation), organizing marketing and credit cooperatives and state experimental and technical stations, encourage the development of the family economy and a commodity economy, etc. In places with conditions for setting up cooperatives, they should be on a small (hamlet) level and have simple management. In low-level populated areas, the scale should be on a hamlet or inter-hamlet scale (not a village or inter-village scale), with the development of sectors and trades, trading in commodities, the development of the family economy, etc. In the specific forms and paths of advance, it is necessary to bring into play and carry on the traditions of the ethnic group traditions, while gradually limiting the dominance and influence of the traditional society, with the development of the new production relations.

A widespread phenomenon is that when introducing a new-style production relation, such as a cooperative, into hamlets, it is at course necessary to mesh the new factors with the old, and transform the old factors and mesh them with the new. But in this case it is not a matter of forming an alliance on a new basis but one of "integrating" the new with the unreformed old, thus gradually changing the nature of the cooperatives, with its status of an advanced production organization. That is also a manifestation of the struggle between the two paths, between small-scale production and large-scale socialist production in the mountain region. The actual situation has proved that when mountain-region cooperatives have a corps of cadres with managerial and commercial ability, and are no longer managed in the style of the hamlets, the cooperatives are strong and profitable.

During the recent period, in the northern mountain region the employment of ethnic minority people by the state economic installations has not been as extensive as in the Central Highlands. Since 1970 the northern mountain provinces have set up 1,078 associations with 7,527 members and 2,397 workers from 22 hamlets of the Mong, Dao, Tay, Nung, Thai, and Khmer ethnic minority groups who are employed at 19 state forests and enterprises. Depending on the place, the form of employment could be an entire hamlet, an entire household, or individual workers. In fact, people have realized more and more clearly that when conditions permit, it is necessary to encourage the employment of ethnic minority people, especially those who are targeted for fixed cultivation and habitation, by the state economic installations, and regard that as an effective economic-social development. That developmental method is beneficial not only benefits the economic-social transformation and development of the ethnic minority groups, but also the development of the state economy in the mountain region.

In comparison to the ethnic minority people in the low-altitude areas, the path of "workerization" is more necessary and appropriate for the ethnic minority people in the high-altitude and middle-altitude people in many respects. In the immediate future, the state installations will be appropriate to the management and development of the strengths regarding afforestation and forestry, the development of animal husbandry, and commerce in the special product crops, most of which are strengths of the middle-

altitude and high-altitude areas. Second, that form, with major investment in material-technical bases and capable state management cadres, will create the extremely important and necessary factor of outside support, which is fully capable of the economic-social transformation and development of ethnic minority groups which are still at a low level and are backward. Third, by the form of state commerce, economic management can be combined with political security management and the defense of the border, which the enemy are seeking all ways to infiltrate and sabotage. The actual situation in many places has shown that with appropriate forms and correct methods the people in high-altitude and middle-altitude areas are fully capable of fulfilling the missions of workers at those state installations.

Many people believe that in the present situation in the high-altitude areas along the northern border the state can organize a number of state installations to develop forestry, animal husbandry, and the growing of special product crops to employ the ethnic minority people there. They can produce while maintaining readiness to oppose the Beijing reactionaries and contribute to stabilizing the situation of ethnic minority people, which is undergoing changes in that region.

The development of the family economy has an important significance in many regards with regard to the economic-social development of the ethnic minority people in the mountain region, whether they have been reorganized in state or collective forms. The family economy will fully utilize labor capabilities, increase income, and contribute to improving living conditions, which have been beset with many difficulties. In fact, over a period of many years the family economy has created a quantity of goods, including the important commodity products of the mountain region, such as the various kinds of forestry products, livestock, the various kinds of mountain-region special products, etc. The development of the family economy will encourage capital accumulation, the commodity economy, and new capital, but it is also extremely necessary for the economic-social development of the ethnic minority people in the mountain region.

The places which do not yet have conditions for reorganizing in collective or state forms, the maintenance and guidance of the individual economy is a necessary transitional phase. Of course, the individual economy in the region exists and develops under the common leadership of the state and collective economies, and is not merely an individual, private-ownership economy such as those in feudal or capitalist economies.

2. Forming a New Class Structure of the Ethnic Minority People in the Mountain Region

In the initial phase of the period of transition to socialism in the mountain region, in addition to the implementation of the three revolutions and economic-social development, there has gradually taken form a new class structure in the ethnic minority groups. Those classes include the collective peasant class, the working class, and the new intellectuals. That is the result of the process of the socialist revolution over the past several decades in that region, and is an extremely important social element for ensuring the victory of the enterprise of building socialism in the mountain region.

The most outstanding feature of the process of forming a new class structure in the mountain region was the transformation of a large number of individual peasants at different levels of social development into collective peasants. That both reflects the special characteristic of our country not passing through the capitalist phase but advancing directly to socialism and manifests a distinctive feature of the mountain region: the ethnic minority peasants have become collective peasants at the low level of individual small peasants. In some ethnic groups, private ownership and individualism have not clearly taken form. That has exerted a great influence on the nature and level of the present collective peasant class. The situation of nonuniformity and instability of the agricultural cooperatives over a long period of time, of the peasants at times being collective and at times individual, has limited the quality of the class and all aspects of development of the collective peasants. However, along with the transformation of the common production relations there has taken form in the collective peasant class a stratum of mental workers and economic-social managers, such as cooperative directors, production unit heads, basic-level governmental and mass association cadres, etc.

In addition to the process of industrialization, especially the development of the central and local industrial installations, a corps of ethnic minority workers has taken form, which is part of and supplements the ranks of the nation's working class. Although their numbers are not yet large, they are people who have been trained, have technical knowledge, are hard-core forces in the process of advancing from small-scale production to large-scale socialist production, fulfill the mission of transforming and developing society and culture in the mountain-region ethnic groups, are rich sources of supplementation for the corps of leadership cadres and economic-social management cadres, and contribute to developing the worker-peasant alliance in the mountain region. The actual situation has demonstrated that the process of "workerization" of the ethnic minority groups and forming a class to lead the socialist revolution in the mountain region.

However, in the process of forming the ranks of the working class among the ethnic minority groups in the mountain region limitations have been revealed. The number of cadres is not great, they are not distributed uniformly among the ethnic minority groups and areas, but are concentrated primarily among the developed ethnic groups in the low-altitude area, the structure of sectors and trades is not yet uniform, the number of workers in the state industrial sector is not large, consciousness of the role of the class is still restricted, etc.

One of the outstanding accomplishments of the process of economic, social, and cultural construction and development in the mountain region has been the formation of a corps of new intellectuals among the ethnic minority groups. Those new intellectuals arise from the collective peasants and the workers. Their ranks are relatively varied and include managers, leaders, teachers, doctors, engineers, people engaged in cultural and scientific work, etc., at the post-college, college, and specialized middle school levels, technicians. However, like the workers, those new intellectuals are

concentrated primarily in the low-altitude areas, and in comparison to the population and the requirements their numbers are too small. There are still very few ethnic minority intellectuals in the high-altitude areas and the distribution of technical workers and production sectors is not yet rational. There is as yet no complete plans based on the needs of economic-social construction and the employment and use of those intellectuals is still greatly limited, so their ability and contributions have not truly been brought into play in economic-social development in that region.

By presenting the changes in the class structure in the mountain region we can see more even more clearly that there is not only disparities between the mountain region and the lowlands, among the areas (low altitude and high altitude), and among the ethnic groups in the mountain region, which there must be both short-range and long-range measures to overcome.

3. In the totality of the factors which affect the process of economic-social transformation and development in the mountain region, it is necessary to pay special attention to bringing into play the role and effect of the urban areas, the industrial installations, and the state installations in the mountain region. The process of forming urban areas and industrial centers in the mountain region began in the period in which France ruled and exploited the colony, but the process took place slowly and had a very limited effect. Since the restoration of peace (1954), especially in the process of industrialization, the development of socialism and urban areas in the mountain region, and the industrial installations has increased steadily in numbers and scales. Following the industrial zones there were population centers of an urban nature, a system of roads, service installations, stores, markets, etc. Furthermore, the towns, cities, and equivalent population centers are also gradually overcoming their administrative and commercial nature, and are increasing their industrial and handicraft installations. Everyone knows that although the urban areas and industrial zones in the mountain region are still tiny, their role in the process of industrialization, economic-social and cultural development, and the new way of life in the mountain region cannot be denied.

However, during the recent period, in the process of economic-social transformation and development in the mountain region we have not fully realized and developed the role of the urban areas and industrial zones. At many places and many times there has even been unnecessary separation, opposition, and contradictions, which have harmed economic development, social transformation, cultural development, and the creation of new ethnic group relations. In many places the ethnic minority people living around the industrial zones and the state installations have not only have not been employed as workers but have moved far away, into the jungles and mountains, to maintain their traditional way of life. That is not to mention the land disputes and the contradictions between the state and the people, and between the central and local levels, which have harmed the benefit not only of the people and the localities but also of the state installations.

In order to bring into play the role of the urban areas and industrial zones in the mountain region we must study and draft overall plans which combine those centers and the surrounding areas with regard to territory, economics,

society, and culture, employ the population and employ the ethnic minority people and workers in urbanization and industrialization, expanding the commercial alliances, carrying out a division of social labor among urban workers and between industry and the countryside in the surrounding mountain region, building and developing the road system in the region, making the urban areas and the industrial zones the principal concern, and bringing into play the consciousness and role of the urban centers and industrial zones in transforming and developing the mountain region in all regards: economics, society, culture, and way of life. Some people believe that it is necessary to think of forms and measures for developing the urban areas and industrial locations in the border areas. Where necessary they may be ethnic minority areas to employ and unify ethnic minority people and develop political, social, and economic influence on those on the other side of the border.

4. On Developing the New Ethnic Group Relations

With the correct ethnic minority policy of the Party and state, over several decades of transformation and construction in the mountain region the relations among the ethnic groups have been basically perfected and are manifested in individual, collective, and local relations, and in consciousness of the common undertaking, the spirit of social mastership, and increasingly solid ethnic solidarity among the ethnic groups. That is an important social-political element for ensuring the victory of the enterprise building socialism and defending the Fatherland in the mountain region and nationwide.

The development and consolidation of the new ethnic relations must be better implemented in spirit of solidarity, equality, and mutual aid among the ethnic groups of the Party's ethnic policy. They must be placed in the overall economic-social development in each specific area, especially the districts. In such areas the rapid development of towns, cities, industrial installations, state installations, the strengthening of the working class and new ethnic intellectuals, the investment of grey matter, the development of science and technology, etc., are important elements which contribute to consolidating and strengthening ethnic minority relations. That is even more important with regard to districts and villages in the border region, where the enemy propagandizing, persuading, and causing division and distrust among the ethnic groups.

The consolidation and strengthening of ethnic group relations means strengthening the unity of ethnic groups in the sphere of the Vietnamese nation (in fact, their developmental tendency is more and more differentiated from members of the same ethnic group on the other side of the border), and bringing the ethnic groups closer together in the region and the nation, on the basis of a common national economic-social-cultural system. There the matter of the popularization and victory of Vietnamese culture in the border region has the important significance of integrating the community of ethnic groups and opposing the plot of the Beijing expansionists to assimilate, divide, and win over the ethnic groups along the border. In that situation, the development of the multifaceted relationships among the border provinces and districts with those in other parts of the nation is an important factor in increasing national and ethnic consciousness.

The result of that process is the formation and consolidation of the ethnic community of socialist Vietnam, an extremely important political-social factor which ensures the victory of the national revolution and the revolution in the mountain region in particular. That is also the highest manifestation of the new ethnic group relationship, which is manifested in each individual, collective, and ethnic group in the form of a spirit of mastering the collective, the society, and the nation.

IV. On Culture and Education in the Mountain Region

In the revolutionary enterprise in the mountain region during the past several decades, the accomplishments in education and in raising the common cultural level of the people have been more outstanding than in the other spheres. That manifests to a certain extent the line of our Party toward implementing the cultural-ideological revolution, while simultaneously carrying out the three revolutions in the mountain area. However, after the rapid, broad development of education during the first few years there have appeared problems which must be resolved in order to promote the further development of education in the mountain region: in many places the number of ethnic group students had declined; there has been a clear lack of uniformity in the development of education in the low-altitude, high-altitude, and border areas and among the ethnic groups; the quality of education is still low, especially in the high-altitude and border areas, and illiteracy has increasingly grown, especially among the ethnic minority groups in high altitude areas; the material bases and schools are poor, the curricula are not yet good and appropriate, the organization of education is not yet appropriate to the special characteristics of the ethnic groups in the mountain region, etc.

A rather clear weakness of education and training in our country in general, as well as in the mountain region, has been failure to include it in the overall economic-social development plans. In the past, the society of the ethnic groups in the mountain region was a pre-industrial society in which there was no need for the intellectuals trained in industrial societies. Therefore, a question that is posed is "what is the need for study when the economic-social changes have not yet generated the need for such intellectuals?"

Education in the mountain region has also revealed weaknesses which everyone realizes: investment in education, the organization of study and instruction, the corps of teachers, curricula, etc., is not yet manifested the viewpoints, lines, and policies of the Party and state toward the mountain region and the ethnic groups. Investment in education in the mountain region must be at a higher level and more uniform, and some people think that we should invest in it as we invest in capital construction. Curricula and the organization of study and instruction must be appropriate to the level, way of life, production conditions, and customs and habits of the mountain region. It is necessary to create a system of schools and training facilities not only within the general school system, but also for ethnic minority children, at the central and local levels, so that they can be trained over a long period of time to become intellectuals and technical workers at a high level. There must also be a system of vocational schools to train technical workers to

directly meet the economic-social development needs of each locality and ethnic group, especially for ethnic groups with a low level of development in the high-altitude and border areas. There must be a policy for employing and rationally using the cadres who are trained. That will not only bring about real economic-social results but will cause a reciprocal effect and stimulate the development of the education and training system.

An even more important matter with regard to the linguistic policy in the ethnic group areas is the development of Vietnamese and its use in the spheres of work, study, and training, in a harmonious and rational relationship with the ethnic group languages. There is a common tendency to think that in places and among ethnic groups in which Vietnamese is used relatively fluently, such as among the Tay, Vietnamese may be used in the classes from the very beginning, while in places and among ethnic groups in which the use of Vietnamese is still limited the ethnic languages should be used in teaching the first classes, after which there should be a shift to Vietnamese, as is the case with regard to the Thai and a number of ethnic groups in the high-altitude areas.

Related to the policy regarding the spoken language is the written language. The problem that is posed is whether with regard to the other ethnic groups a written language should be created or not, and related to that question is the question of what the function, sphere, and effect of using written ethnic minority languages would be, in order to ensure harmony in using the Vietnamese written and spoken languages with the use of ethnic group written and spoken languages, thus contributing to the development of ethnic culture.

In the course of preliminary discussions, a number of general viewpoints have been set forth: 1) It is necessary to carry out surveys and studies in all localities to determine for which ethnic group written languages should and can be created, and to avoid uniformity and sameness. 2) The ethnic group written languages must be based on the Vietnamese alphabet. 3) Specific calculations must be made and there must be practical measures to determine the function and sphere of dissemination of those written ethnic group languages, with the goal of developing the ethnic culture within the Vietnamese culture and avoid limiting the written language to education in schools, in order to, on that basis, verify or deny capability to create and popularize written ethnic group languages.

The matter of developing the spoken and written languages and, along with them, develop the ethnic color of the overall Vietnamese culture is an important one, especially in the border areas. The popularization and development of Vietnamese culture in those areas will soon delineate a boundary between Vietnamese and non-Vietnamese cultures along the northern border at present and in the future, and will have the great significance of both promoting the development of the ethnic culture there and being an effective weapon for defending the sovereignty, independence, and freedom of the Fatherland against the aggression and assimilation plots of the enemy.

V. Combining Economic-Social Development With the Consolidation of National Defense

Under the present conditions and in the long range, the northern mountain region is and will continue to be a region which directly and continually cope with the sabotage and aggression plots of the Chinese reactionaries. Therefore, all social development programs there must be combined flexibly with the consolidation of national defense and political security. That also means that in order to increase national defense potential it is also necessary to strengthen the all-round economic-social development programs. The northern mountain region has become the front line of the entire nation, so the entire nation must aid the northern mountain region and manifest its strength in that key strategic area. The overall development programs there are carried out in all respects, from reorganizing the population centers so that they are appropriate to production and combat readiness, building an infrastructure of material bases, developing communications and transportation, developing the economy, and organizing society, to cultural development, education, etc. In such overall development programs the district is the basic planning unit for economic-social development and the development of districts and villages into solid bastions sufficiently strong to resist the sabotage and aggression of the enemy. In order to contribute to strengthening the border in all regards, social science can study, comprehend, and recommend many matters to serve as a scientific basis for the overall economic, social, and cultural development programs in that key region.

In the enterprise of building national defense by all the people, in addition to having strong economic-social bases it is necessary to bring into a "strength" of the ethnic groups: the tradition of patriotism and solidarity of the ethnic groups, who throughout the process of building and defending the nation have resolutely resisted the enemy aggressors from the north, for the sake of the existence of the Vietnamese Fatherland and the ethnic groups there, in the face of the aggression and assimilation of greater-Hanism. Many ethnic groups live along the Vietnam-China border, but it may be said that their consciousness of the past, oppression, displacement, rule, and assimilation by the Han feudalists. Today that peril has not ended, but has only been hidden under different forms. The revival of that tradition of patriotism and solidarity will create strength to contribute to victory over the enemy.

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